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ABSTRACT

Presented is Congressional testimony on S. 2461, To amend the Randolph-Sheppard Act for the blind so as to make certain improvements therein, and for other purposes, and on S. 3425, To amend the Wagner-O'Day Act to extend the provisions thereof to severely handicapped individuals who are not blind, and for other purposes. Testimony for approximately 30 witnesses for or against the amendments is included, with copies of both amendments provided at the beginning of the testimony. Topics covered in the various testimonies focus on areas such as vending machine proceeds, legal status of employed groups sharing in vending machine revenues, retirement and other fringe benefits, limited job opportunities, needed safely standards, vending machine bidding, post office jurisdiction, increase in employment, technological changes, diversification of blind-made products, welfare cost savings, pressure to limit stands, government orders cyclical, average hourly wages, vocational preparation, soliciting contracts, authority of committee, and rehabilitating veterans. (CB)

HANDICAPPED WORKERS LEGISLATION, 1970

HEARINGS

BEFORE THE

SPECIAL SUBCOMMITTEE ON HANDICAPPED WORKERS

OF THE

COMMITTEE ON LABOR AND PUBLIC WELFARE UNITED STATES SENATE

NINETY-FIRST CONGRESS

SECOND SESSION

ON

S. 2461

TO AMEND THE RANDOLPH-SHEPPARD ACT FOR THE BLIND SO AS TO MAKE CERTAIN IMPROVEMENTS THEREIN, AND FOR OTHER PURPOSES

S. 3425

TO AMEND THE WAGNER-O'DAY ACT TO EXTEND THE PROVISIONS THEREOF TO SEVERELY HANDICAPPED INDIVIDUALS WHO ARE NOT BLIND, AND FOR OTHER PURPOSES

JUNE 9 AND 10, 1970

Printed for the use of the Committee on Labor and Public Welfare

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HANDICAPPED WORKERS LEGISLATION, 1970

THURSDAY, JUNE 9, 1970

U.S. SENATE,
SPECIAL SUBCOMMITTEE ON HANDICAPPED WORKERS
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 4200, New Senate Office Building, Senator Jennings Randolph (chairman of the subcommittee) presiding.

Present: Senators Randolph (presiding), Cranston, and Javits.

Staff members present: George Lawless, professional staff member; and Roy H. Millenson, minority professional staff member.

Senator RANDOLPH. A pleasant morning, ladies and gentlemen. We are grateful for your attendance at this hearing and for the attendance of those participants who will appear as witnesses to help us in the consideration of changes to laws that are now on the statute books.

We begin the hearings on these amendments because I consider that from time to time we have landmark legislation on behalf of certain segments.

Those important measures from time to time certainly, not only because of their original intent, but because of the experiences with the programs, come to the period when we know that certain improvements and refinements in the basic legislation that we think is of importance must be considered as we are doing this morning.

We shall hear testimony on S. 2461, the amendment to the Randolph-Sheppard Act, and on S. 3425, the amendment intended to strengthen and broaden the Wagner-O'Day Act.

(The bills and departmental reports follow:)

91ST CONGRESS
1ST SESSION

S. 2461

IN THE SENATE OF THE UNITED STATES

JUNE 20, 1969

Mr. RANDOLPH (for himself, Mr. BAKER, Mr. BAYH, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BYRD of West Virginia, Mr. CHURCH, Mr. COOPER, Mr. CRANSTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DODD, Mr. DOLE, Mr. EAGLETON, Mr. EASTLAND, Mr. ERVIN, Mr. FANNIN, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GOODELL, Mr. GORE, Mr. GRAVEL, Mr. GRIFFIN, Mr. HART, Mr. HARTKE, Mr. HATFIELD, Mr. HOLLINGS, Mr. INOUYE, Mr. JAVITS, Mr. JORDAN of Idaho, Mr. MAGNUSON, Mr. METCALF, Mr. MILLER, Mr. MONTOYA, Mr. MOSS, Mr. MUNDT, Mr. MURPHY, Mr. MUSKIE, Mr. NELSON, Mr. PACKWOOD, Mr. PELL, Mr. SCHWEIKER, Mr. SCOTT, Mr. STEVENS, Mr. TALMADGE, Mr. THURMOND, Mr. TOWER, Mr. TYDINGS, Mr. YARBOROUGH, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Randolph-Sheppard Act for the blind so as to make certain improvements therein, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Randolph-Sheppard Act for the Blind Amendments of 1969."

PREFERENCE FOR VENDING FACILITIES ON FEDERAL PROPERTY

SEC. 2. Section 1 of the Act entitled "An Act to authorize the operations of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes," approved June 20, 1936 (20 U.S.C. 107), is amended to read as follows:

"SECTION 1. For the purposes of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, blind persons licensed under the provisions of this Act shall be authorized to operate vending facilities on any Federal or other property. In authorizing the operation of vending facilities on Federal property, preference shall be given, so far as feasible, to blind persons licensed by a State agency as provided in this Act; and the head of each department or agency in control of the maintenance, operation, and protection of Federal property shall, after consultation with the Secretary and with the approval of the President, prescribe regulations designed to assure such preference (including exclusive assignment of vending machine income to achieve and protect such preference) for such licensed blind persons without adversely affecting the interests of the United States."

CONCESSION VENDING SURVEYS

SEC. 3. Section 2(a)(1) of such Act of June 20, 1936 (20 U.S.C. 107a), is amended to read as follows:

"(1) Make surveys of concession vending opportunities for blind persons on Federal and other property in the United States;"

VENDING FACILITY

SEC. 4. Such Act of June 20, 1936, is further amended to strike the words "vending stand(s)" and "stand(s)" wherever they appear and inserting in lieu thereof the words "vending facility(ies)".

ELIMINATION OF AGE REQUIREMENT AND VENDING OF FOOD AND BEVERAGES

SEC. 5. Section 2(a)(4) of such Act of June 20, 1936, is amended by (1) striking out "and at least twenty-one years of age" and (2) striking out "articles dispensed automatically or in containers or wrapping in which they are placed before receipt by the vending stand, and such other articles" and inserting in lieu thereof the following: "foods, beverages, and other such articles or services dispensed automatically or manually and prepared on or off the premises in accordance with all applicable health laws, as determined by the State licensing agency:".

DELETION OF CERTAIN LIMITATIONS IN LICENSING BLIND OPERATORS OF VENDING FACILITIES

SEC. 6. Section 2(b) of such Act of June 20, 1936, is amended by (1) striking out "and have resided for at least one year in the State in which such stand is located" and (2)

striking out "but are able, in spite of such infirmity, to operate such stands."

PROVISION OF VENDING FACILITY LOCATIONS

SEC. 7. Section 2 of such Act is further amended by adding a new subsection (d) at the end thereof:

"(d) In the design, construction, or substantial alteration or renovation of each public building after January 1, 1970, for use by any department, agency, or instrumentality of the United States, there shall be included, after consultation with the State licensing agency, a satisfactory site or sites with space and electrical and plumbing outlets and other necessary requirements suitable for the location and operation of a vending facility or facilities by a blind person or persons. No space shall be rented, leased, or otherwise acquired for use by any department, agency, or instrumentality of the United States after January 1, 1970, unless such space includes, after consultation with the State licensing agency, a satisfactory site or sites with space and electrical and plumbing outlets and other necessary requirements suitable for the location and operation of a vending facility or facilities by a blind person or persons. All departments, agencies, and instrumentalities of the United States shall consult with the Secretary (or his designee) and the State licensing agency in the design, construction, or substantial alteration or renovation of each public building used by them, and in

the renting, leasing, or otherwise acquiring of space for their use, to insure that the requirements set forth in this subsection are satisfied. This subsection shall not apply when the Secretary (or his designee) and the State licensing agency determine that the number of people using the property is insufficient to support a vending facility."

ARBITRATION BETWEEN OPERATORS AND LICENSING AGENCIES

SEC. 8. Section 3(6) of such Act (20 U.S.C. 107b) is amended by substituting a comma for the period at the end thereof and adding the following new wording: "including binding arbitration by three persons consisting of one person designated by the head of the State licensing agency, one person designated by the licensed blind operator, and a third person selected by the two."

DEFINITIONS

SEC. 9. (a) Section 6(b) of such Act (20 U.S.C. 107e) is amended to read as follows:

"(b) The term 'blind person' means a person whose central visual acuity does not exceed 20/200, in the better eye with correcting lenses or whose visual acuity, if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than 20 degrees."

(b) Section 6 of such Act is further amended by adding at the end thereof the following new subsection:

"(f) The term 'vending facility' includes, but is not limited to, automatic vending machines, cafeterias, snackbars, cart service, shelters, counters, and such other appropriate auxiliary equipment (as the Secretary may by regulations prescribe) as are necessary for the sale of the articles or services referred to in section 2(a)(4), which are, or may be operated by blind licensees."

ARBITRATION BETWEEN AGENCIES

SEC. 10. Such Act is further amended by redesignating section 8 (20 U.S.C. 107f) as section 9 and by inserting the following new section after section 7:

"SEC. 8. (a) An arbitration board of three persons consisting of one person designated by the Secretary who shall serve as chairman, one person designated by the head of the Federal department or agency controlling Federal property over which a dispute arises, and a third person selected by the two who is not an employee of the departments concerned shall hear appeals as provided in subsection (b) of this section.

"(b) If, in the opinion of a State licensing agency designated by the Secretary under this Act, any department or agency in control of the maintenance, operation, and protection of Federal property is failing to comply with the

provisions of this Act, or any regulations issued thereunder, it may appeal to the board. The board shall, after notice and hearing, render its decision which shall be binding. If the board finds and determines that the acts or practices of any such department or agency are in violation of this Act, or the regulations issued thereunder, the head of the affected department or agency shall promptly cause such acts or practices to be terminated, and shall take such other action as may be necessary to carry out the decision of the board. All decisions of the board shall be published."

JUDICIAL REVIEW

SEC. 11. Such Act is further amended by adding the following new section:

"SEC. 10. Notwithstanding other provisions of this Act, any blind person or State licensing agency suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of this Act or other relevant statutes, shall be entitled to and shall have standing for judicial review thereof."

EFFECTIVE DATE

SEC. 12. The amendments made by this Act shall become effective January 1, 1970.

91ST CONGRESS
2D SESSION

S. 3425

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 1970

Mr. JAVITS (for himself, Mr. MAGNUSON, Mr. RANDOLPH, Mr. HARTKE, and Mr. PROUTY) introduced the following bill; which was read twice and referred to the Committee on Commerce

MARCH 31, 1970

The Committee on Commerce discharged, and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Wagner-O'Day Act to extend the provisions thereof to severely handicapped individuals who are not blind, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to create a Committee on Purchase of Blind-Made Products, and for other purposes", approved June 25, 1938 (52 Stat. 1196; 41 U.S.C. 46–48), is amended by striking out all after the enacting clause and inserting in lieu of the matter stricken the following: "That there is hereby created a committee to be known as the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped (hereinafter

referred to as the 'Committee') to be composed of two private citizens conversant with the problems incident to the employment of blind and other severely handicapped individuals and a representative of each of the following Government departments or agencies: The Department of Agriculture, the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Health, Education, and Welfare, the Department of Commerce, the Department of the Interior, the Department of Justice, the Department of Labor, and the General Services Administration. The members of the Committee shall be appointed by the President, shall serve without additional compensation, and shall designate one of their number to be Chairman.

"SEC. 2. (a) It shall be the duty of the Committee to determine the fair market value of all brooms and mops and other suitable commodities produced and offered for sale by, and services offered by, blind and other severely handicapped individuals to the Federal Government by any nonprofit agency for the blind or other severely handicapped, organized under the laws of the United States or of any State, to revise such prices from time to time in accordance with changing market conditions; and to make such rules and regulations regarding specifications, time of delivery, authorization of a central nonprofit agency or agencies to facilitate the distribu-

tion of orders among the agencies for the blind and other severely handicapped, and other relevant matters of procedure as shall be necessary to carry out the purposes of this Act: *Provided*, That no change in price shall become effective prior to the expiration of fifteen days from the date on which such change is made by the Committee.

"(b) Rules and regulations of the Committee shall provide that, in the purchase by the Government of commodities produced and offered for sale by the blind and other severely handicapped, priority shall be accorded to such commodities produced and offered for sale by the blind, and that, in the purchase by the Government of services offered by the blind and other severely handicapped, priority shall, until the close of June 30, 1975, be accorded to services offered by the blind.

"SEC. 3. All brooms and mops and other suitable commodities and services hereafter procured in accordance with applicable Federal specifications by or for any Federal department or agency shall be procured from such nonprofit agencies for the blind or other severely handicapped in all cases where such articles or services are available within the period specified at the price determined by the Committee to be the fair market price for the article or articles or services so procured: *Provided*, That this Act shall not apply in any cases where brooms and mops and other suitable com-

modities and services are available for procurement from any Federal department or agency and procurement therefrom is required under the provisions of any law in effect on the date of enactment of this Act, or in cases where brooms and mops and other suitable commodities and services are procured for use outside any State.

"SEC. 4. For purposes of this Act—

"(a) the term 'severely handicapped' means an individual or class of individuals who is under a physical or mental disability which constitutes a substantial handicap to employment and is of such a nature as to prevent the individual under such disability from currently engaging in normal competitive employment; and

"(b) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands."

SEC. 2. The amendments made by the first section of this Act shall take effect on the first day of the ninth month following the month in which this Act is enacted.

UNITED STATES OF AMERICA,
GENERAL SERVICES ADMINISTRATION,
Washington, D.C., July 17, 1970.

Hon. JENNINGS RANDOLPH,
Chairman, Special Subcommittee on Handicapped Workers, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR SENATOR RANDOLPH: The purpose of this letter is to make known to your Subcommittee the views of the General Services Administration on S. 2461, 91st Congress, a bill "To amend the Randolph-Sheppard Act for the blind so as to make certain improvements therein, and for other purposes."

The Randolph-Sheppard Act (20 U.S.C. 107) authorizes blind persons to operate vending standards on Federal property under the circumstances described therein.

Section 2 of the bill would amend Section 1 of the Act, under which preference is granted to blind persons to operate vending facilities on Federal property. It provides for exclusive assignment of vending machine income to the blind in order to assure, achieve, and protect the preference granted.

We do not favor the addition of the word "exclusive" to the present preference language of the Act. In many buildings operated by GSA there are cafeterias or other basic food service facilities which depend to a large degree on income from vending machines to assist them in providing cheaper food to Federal employees. Our current regulations and procedures, issued pursuant to the present Section 1 of the Act, provide that blind operators receive the income from those machines which are in reasonable proximity to a vending stand and would otherwise be in direct competition with such stand. We believe this practice protects the preference to blind persons as intended by the Act, and significantly reduces the overall food cost, thus benefiting all Federal employees in buildings where cafeterias are located.

In many cases vending machines are located in alcoves and hallways remote from the vending stand and have no proximate relationship thereto. The income from such machines and those located in proximity to the cafeteria should go to the cafeteria as a subsidy. In many buildings the commission income from vending machines is substantial, amounting to thousands of dollars per year. The Government provides no cash subsidy to cafeteria operations. The subsidy from vending machine income serves to lower food costs in the cafeteria. In some cases, where the building population is small and the profit potential is marginal, the vending machine income subsidy can determine the difference between the provision of this essential service for Federal employees or its elimination.

In view of the foregoing, we do not favor amendment of the present Section 1 of the Act as proposed in Section 2 of S. 2461.

We have no objection to Sections 3 and 4 of the bill which would change the terms "concessions stand" to "concession vending" and "vending stand" to "vending facility".

We are basically opposed to Section 5 of the bill because it appears broad enough to authorize State licensing agencies for the blind to operate full-scale cafeterias.

We have 100 full-scale cafeterias in our buildings which serve 275,000 patrons daily. To subject operations of this magnitude to possible operation and control by the various State licensing agencies would, we believe, be decidedly unwise. It is our objective in connection with the operation of these cafeterias that Federal employees be provided with high quality and convenient food service under sanitary and healthful and environmentally attractive conditions, at the most reasonable prices possible. We do not believe these objectives can be achieved through operation of our cafeterias by State licensing agencies for the blind. For this reason we are not prepared to support the position that cafeteria operations should be covered by the Randolph-Sheppard Act. We believe that such support would be in direct conflict with our objectives and would be detrimental to the welfare of Federal employees who must depend on our cafeterias for their basic food service.

Also, GSA has traditionally relied upon private industry to operate its cafeterias and other basic food service facilities. We believe that to depart significantly from this practice would invite substantial criticism from the private sector.

Further, the point is made that the basic objective of the Randolph-Sheppard Act is to make the blind self-supporting. It is our view that to broaden blind operated vending stands into full-scale feeding operations would necessarily lead to the employment of sighted help in order to perform satisfactorily.

Accordingly, we recommend that the Subcommittee make clear in the legislative history of the bill that it is not the intention of Section 5 of the bill to authorize the operation of full-scale cafeterias by State licensing agencies for the blind. We have no objection to clause (1) of Section 5 which eliminates the age requirement for licensed operators.

We have no objection to Section 6 of the bill which eliminates the residence requirements for licensed operators and eliminates certain wording referring to blindness as an infirmity.

Section 7 of the bill provides that certain rough-in-work for vending facility locations be included in the design, construction or substantial alteration of public buildings after consultation with the State licensing agency, and when the number of people using the property is sufficient to support a vending facility. We do not object to this portion of the Section since this practice is followed in GSA under current procedures.

However, the Section also provides that no space shall be rented, leased, or otherwise acquired after January 1, 1970, unless such space includes vending facilities similar to those required for public buildings. While we favor the objective of this provision, and usually are successful in accomplishing it in most cases involving larger buildings, there are obstacles to be overcome in some cases. One of the more difficult areas in the administration of the vending stand program is where leased space is involved.

When the Government leases space from an owner, particularly several floors or nearly all of a building as distinguished from the complete building, the owner usually insists upon reserving certain rights. He usually borrows most of the required building funds from an insurance company or a similar source. His financing is nearly always dependent upon a showing that he has firm leases or commitments for occupancy at a fixed rental. Nearly always, he reserves certain ground floor space because of its attractive appeal to a commercial operator. Normally, the Government does not require this ground floor space which commands a higher rental than the upper floors. Among the owner's best prospects generally are a restaurant or cafeteria operation or a drug store. Both of these are subject to competition from vending stands operated in the building by a blind person.

It is not unusual for the owner to lease to the Government on the basis that nothing is to be established which would compete with his commercial operations. It has been our practice not to pay a premium in rental for space, which would inevitably result, in order to eliminate such reservations insisted upon by an owner. We believe this is in the best interest of the Government.

In view of the above we recommend that the following be added to Section 7, following the period at the end and before the ending quotation mark:

"Further, this subsection shall also not apply to the rental of space by the Government in a building wherein the lessor retains space for a restaurant or other establishment which would be in competition with a blind operator of a vending facility purveying food and other articles."

We do not object to Section 8 of S. 2461, which expands fair hearing procedures for aggrieved operators to permit binding arbitration between operators and State licensing agencies. This is a matter between licensing agencies and the operators.

We do not object to Section 9(a) of S. 2461, which amends the legal definition of blindness. However, for the reasons set forth in our comments on Section 5, we oppose the inclusion of the word "cafeterias" in line 4 of page 6, in the definition of the term "vending facility".

We do not see the need for Section 10 of S. 2461, which would establish an arbitration board to hear and render binding decisions on disputes between a State licensing agency and an agency controlling Federal property. We feel that such a board would tend to dilute our authority in the management of property and the assignment of space. The problems which have arisen in this area have been solved by negotiation between GSA and State licensing agency officials. Under the internal GSA appeals procedure, established June 19, 1965, (41 CFR 101–19.208) only one case has reached the formal appeals stage and that case was settled by negotiation.

We do not object to Section 11, which provides for judicial review of any case of a blind person or a State licensing agency suffering legal wrong because of any agency action or adversely affected or aggrieved by such action.

We do not object to Section 12, which establishes an effective date of January 1, 1970, for the amendments set forth in S. 2461.

Subject to the reservations expressed above, GSA favors enactment of S. 2461.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to your Subcommittee.

Sincerely,

ROD KREGER, *Acting Administrator.*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
July 17, 1970.

Hon. RALPH YARBOROUGH,
Chairman, Committee on Labor and Public Welfare
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of April 1, 1970, for a report on S. 3425, a bill "To amend the Wagner-O'Day Act to extend the provisions thereof to severely handicapped individuals who are not blind, and for other purposes."

The bill would provide the following:

(1) Extend the priority, now reserved for the blind in the production of commodities, to other severely handicapped persons with the assurance that the blind will have first preference.

(2) Expand the category of Government purchases under which the blind and severely handicapped have priority to include services as well as products, reserving to the blind a first preference in the provision of services for five years after enactment of the bill.

(3) Change the name of the Committee on Purchase of Blind-Made Products to the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped. Enlarge the present membership from nine to thirteen. The enlargement of the "committee" retains the present Government agency representation, incorporates the current conferees to full membership, and makes provision for two private citizens conversant with the problems incident to the employment of blind and other severely handicapped individuals.

The Wagner-O'Day Act since its enactment has been of inestimable value in providing workshops for the blind with contracts for blind-made products at a fair market price. At present the 79 NIB-affiliated workshops located in 35 States provide gainful employment to over 5,000 blind persons. These workshops manufacture approximately 400 separate items for Government purchase. There are thousands of additional items which are feasible for workshop production and could be added to the schedule.

The amendments to this Act would provide new employment opportunities for other segments of the severely handicapped population, many of whom have heretofore been considered unemployable. In view of the many advantages that can accrue to the severely handicapped from this legislation, we would recommend favorable action on this measure. It is significant to note that in spite of its great advantages, the Wagner-O'Day Act has required no Federal appropriation.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

ELLIOT L. RICHARDSON, *Secretary.*

Senator RANDOLPH. Of course, only for the record, but in a manner of joy rather than in attempting to point at my cooperation in areas of this legislation, I am gratified to have been a part of the effort from the 1936 beginning in the program of the vending stands.

It was 2 years later, in 1938, that we passed the Wagner-O'Day Act and I am sure that those of you who are present will allow me to say that I am very excited about the opportunity for possible improvement and strengthening of both of these programs and I am so happy that I can be a part of that effort in 1970 as I was an active participant in 1936 and 1938 on those two original bills as a member of the U.S. House of Representatives.

We believe that we have had successful progress in these vital programs over the years, but I reemphasize that we want to make these measures, and the programs that are represented by them, more effective.

We will consider changes in the two laws and I am very gratified that Senator Javits and others have joined in that proposal. I will express later my appreciation to the witnesses.

I do wish to make this comment at the outset. John F. Nagle—and you know him so very well for his long and helpful work as chief of the Washington office of the National Foundation of the Blind—has been a witness scheduled for today, but an accident has caused him to absent himself from the hearing.

We wish for John a very complete recovery in the shortest time possible.

The national representative of the American Council of the Blind, I am told, will rearrange his schedule and testify today filling the spot left temporarily vacant by Mr. Nagle's inability to be with us.

We have had many persons who have asked to appear and we find it necessary to limit the oral testimony. The full statements, ladies and gentlemen, of those witnesses who appear will be made a part of our printed record and will be studied by the members of the Special Subcommittee of the Labor and Public Welfare Committee.

So, I want you all to know that, even though you do not talk for 30 minutes, if your statement is that long, why, it will be read. I hope we can keep the oral testimony to 10 minutes a witness.

Representative Craig Hosmer, who is intensely interested in our hearings and is a cosponsor of the corresponding House bill that we have in the Senate, S. 3425, had expected to testify and he has been called to the White House and I am going to place Representative Hosmer's statement in the record at this point.

(The statement referred to follows:)

STATEMENT OF HON. CRAIG HOSMER, A REPRESENTATIVE IN CONGRESS FROM THE 32D DISTRICT OF THE STATE OF CALIFORNIA

Mr. HOSMER. Mr. Chairman and members of the subcommittee, as the sponsor of a corresponding House bill (H.R. 16062) to amend the historic Wagner-O'Day Act, I appreciate the opportunity to testify on behalf of the Senate measure introduced by Senator Javits.

Since 1938, the Wagner-O'Day Act has provided thousands of job opportunities for the blind by granting special privileges to sheltered workshops. These workshops, of course, are voluntary, nonprofit organizations operated to rehabilitate through productive jobs for the blind.

Enactment of this amendment will extend this outstanding program to workshops for other severely handicapped individuals without infringing on the privileges enjoyed by the blind.

This bill has two principal objectives. First, it would extend the priority now reserved for the blind to the other severely handicapped assuring, however, that the blind will continue to have first preference

in selling their products to the Federal Government. Second, it would permit the workshops to offer services as well as products to the Federal Government, again reserving to the blind a first preference for 5 years after enactment of the bill.

The principal benefit of this bill, Mr. Chairman, would be to substantially increase the number of job opportunities for the handicapped in sheltered workshops. It is incumbent upon us to provide this opportunity for those handicapped people who are willing to work and make their contribution to society.

A recent study by the National Association of Sheltered Workshops clearly indicates the need for this legislation. Among other findings, the study showed that the Nation's workshops could increase their employment by 75 percent if they had sufficient work and income to pay the people. The study also showed that the workshops could manage 67.7 percent more work than they are presently doing without the expansion of facilities.

The workshops could do these things if they had more work—and that is the principal objective of the bill under consideration today. By providing the stimulus of Government contracts, we can substantially increase the number of handicapped people who are able to earn a good living. It is estimated that between 10,000 and 20,000 additional jobs can be provided in sheltered workshops in the first year after passage of this legislation.

Mr. Chairman, it is almost superfluous to say that we need this legislation. The Wagner-O'Day Act has worked well for 32 years with the blind. It now should be expanded to cover other severely handicapped individuals. I respectfully urge passage of this legislation.

Senator RANDOLPH. We will now receive for the record the statement of the Senator from New Mexico, Mr. Montoya, whose interest in this field led him to cosponsor S. 2461.

(The statement of Senator Montoya follows:)

STATEMENT OF HON. JOSEPH M. MONTOYA, A U.S. SENATOR FROM THE STATE OF NEW MEXICO

Mr. MONTOYA. Mr. Chairman, I am honored to be a cosponsor of S. 2461, an extremely important measure which would enable many able-bodied blind people to retain their pride and dignity through steady employment. This bill would significantly update and expand the Randolph-Sheppard Vending Stand Act of 34 years ago, which established the program of granting preference to blind persons in the operation of vending facilities in Federal buildings.

There are one-half million blind persons in the United States. One hundred fifty thousand of them are of working age. We must expand the Randolph-Sheppard Act to help make the lives of these people more productive so as to alleviate the staggering economic consequences of blindness.

The bill will change the term "vending stand" to "vending facility." This will allow more accurate coverage of the wide variety of concessions run by blind people in Federal buildings, and, importantly, it will permit other types of concessions, particularly vending machines, to be included. At present, blind persons with vending operations in Federal facilities have been unable to use vending machines, and this has adversely affected their incomes in several instances.

Presently, blind vendors under the age of 21 are classified as "trainees." No matter how capable they are, they must work with another vendor over the age of 21. The provisions of this bill will make it possible for State licensing agencies to license worthy trainees as full-fledged, independent vendors.

Under this bill, food, beverages, and other items would be prepared on the premises. This in fact is precisely what is being done in many locations. The bill would also eliminate the 1-year residence requirement for licensing blind concessionaires. This archaic rule has already been eliminated from the Vocational Rehabilitation Act.

Another important new provision included in this proposal is the requirement for inclusion of sites for vending facility locations in the design, construction, or substantial alteration of Federal buildings or those buildings leased by Federal agencies.

The grievance procedure for blind concessionaires has been improved by provisions in this bill. Arbitration after a hearing would be made possible, and disputes between agencies controlling Federal property and State licensing agencies would be subject to this procedure. In addition, a blind person or State licensing agency would be authorized to seek judicial review of any agency action if they are adversely affected by that action.

The great progress of the vending stand program can be seen by analyzing the program during fiscal year 1968. Gross sales increased by 10.5 percent as new locations rose by 4 percent. Blind operators' average earnings jumped 6.4 percent as the number of operators increased 4.6 percent. A 7.2-percent rise was seen in the number of vending stands operating on private property.

Mr. Chairman, the proposed legislation will bring needed improvements in the Randolph-Sheppard Vending Stands Act and bring it into conformance with accepted present practices. The enactment of this measure is vital to the welfare and dignity of many working blind people who seek to play a useful part in our society. I urge this committee to support this bill and report it favorably to the Senate floor.

Senator RANDOLPH. I mentioned Senator Javits earlier in my statement and I do it again to tell those of you who cannot see him, but all of you who appreciate his presence and his work in this matter, that Senator Javits is with us now in the hearing room and I am gratified for his presence and his constructive aid in the matters before us.

Before we call our first witness, who will be Mr. Edward Newman, the Commissioner of the Rehabilitation Services Administration in the Department of Health, Education, and Welfare, it will be my desire and hope that Senator Javits might wish to make some statement at this time as we begin the hearings.

I know the Senator's schedule is a busy one and I am sure that he will be with us as much as possible, but at the very beginning of this hearing I would like to ask my colleague, Senator Javits, if he would speak for our record.

Senator RANDOLPH. Representative Gilbert Gude, who is one of the House sponsors of this measure to amend the Wagner-O'Day Act, has submitted a statement. We will now receive it for the record.

(The statement of Congressman Gude follows:)

STATEMENT OF HON. GILBERT GUDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. Chairman, as one of the House sponsors of this measure to amend the Wagner-O'Day Act, I should like to add my voice urging the committee to enact this legislation.

The Wagner-O'Day Act has provided employment to thousands of blind persons in the manufacture of products purchased by the Federal Government. Other severely handicapped persons employed in the workshops could now be provided with similar opportunities.

The enactment of the proposed legislation would allow a greater number of blind and severely handicapped persons to be wage-earning citizens. Some who might otherwise have no choice but to rely on the Government or their families, could now earn a greater measure of self-reliance and independence: S–3425 offers this opportunity.

My statement is necessarily brief as I am certain that the expert witnesses appearing before this subcommittee will present in full detail the reasons for strengthening the Wagner-O'Day act at this time, 32 years after its original enactment. What I should like to stress, however, is that should the Senate act on this measure in the near future, I feel certain that the House will undertake its share of the legislative responsibility with little delay to send it to the White House for signature into law.

Opening Statement of Senator Javits

Senator Javits. Thank you very much.

The two bills before us—the Randolph bill, S. 2461, of which I am a cosponsor, and the Javits bill, S. 3425, of which our distinguished subcommittee chairman, Senator Randolph, is a cosponsor—have a common thread: They are not welfare measures but rather hard-nosed proposals to help those who have no choice but to help themselves. The blind and the severely handicapped wish to be self-supporting and to be taxpayers, not tax burdens. These bills would provide significantly increased opportunities for work for those who otherwise might be relegated to welfare programs, to institutions, or supported by already burdened families.

These measures also have another common component—they are to amend longstanding laws which have not been brought up to date for some time. The Randolph-Sheppard Act, which would be amended by S. 2461, has been amended only once since its enactment in 1936—16 years ago in 1954—and the Wagner-O'Day Act, which would be amended by S. 3425, has not been changed since its enactment 32 years ago in 1938. Times do not stand still.

A third common component of these measures is their general support by the principal organizations interested in the blind and the handicapped. The subcommittee will be receiving their testimony and suggestions for modification and improvement which will be welcomed.

Mr. Chairman, I ask that the explanatory introductory statement made by me in the Senate on February 10 when I introduced S. 3425 be included at this point in my remarks.

Senator RANDOLPH. I am grateful to my colleague and also I will include the explanatory material in reference to S. 3425 which would amend the Wagner-O'Day Act.

(The information referred to follows:)

[From the Congressional Record, Washington, Tuesday, Feb. 10, 1970]

S. 3425—INTRODUCTION OF A BILL TO AMEND THE WAGNER-O'DAY ACT

Mr. JAVITS. Mr. President, I introduce for myself, the senior Senator from Washington (Mr. Magnuson) and the Senator from West Virginia (Mr. Randolph) an amendment to the Wagner-O'Day Act—the 1938 law which for the past 32 years has given to the blind a special priority in the selling of certain products to the Federal Government.

This bill has two principal objectives: First, to extend the priority now reserved for the blind to the other severely handicapped, assuring, however, that the blind will have first preference; and second, to expand the category of contracts under which the blind and severely handicapped would have priority to include services as well as products, reserving to the blind first preference for 5 years after the enactment of the bill. No additional Government expenditures would be occasioned by this measure. A companion bill will be introduced in the House of Representatives by Representative Craig Hosmer of California, and other Members of the House.

Largely through the opportunities made possible by the Wagner-O'Day Act, there are now over 5,000 blind persons earning regular wages in 79 workshops for the blind in 35 States, turning out over 300 high-quality products. This bill would broaden their opportunities by allowing for special consideration in Government contracts for services in addition to products. Also, it would permit the severely handicapped to avail themselves of similar opportunities, without impinging on the first preference given the blind.

This measure has the support of principal organizations for the blind and the severely handicapped. These include the American Association of Workers for the Blind, the American Foundation for the Blind, the Federation of the Handicapped, the Goodwill Industries of America, International Association of Rehabilitation Facilities, National Association for Retarded Children, the National Association of Sheltered Workshops and Homebound Programs, the National Industries for the Blind, and the National Rehabilitation Association.

In Japan, nearly a third of that country's blind and partially blind are employed; in the United States no more than one-fifth of the blind are employed. As for the handicapped, a recent study indicates that up to 50 percent more disabled persons could be helped by a sheltered workshop if more work were available to them. Today, over 100,000 disabled—including blind disabled—are served each year by the 1,500 sheltered workshops in the nation.

The proposed legislation is not a welfare measure. It is a hard-nosed proposal to help those who have no choice but to help themselves. The blind and the severely handicapped wish to be self-supporting and to be taxpayers, not tax burdens. This legislation would provide a significantly increased number of opportunities for work for those who otherwise might be relegated to institutions, to welfare programs or supported by already burdened families. After 32 years of successful operation, the Wagner-O'Day Act must now be strengthened as I propose.

In closing, I wish to state that I am particularly gratified that Senator Jennings Randolph is a cosponsor of this bill. As a Member of the House, he was a coauthor of the Randolph-Shepherd Act which for the past 34 years has benefitted blind vendors in public buildings. Senator Randolph has long been a pioneer in the effort to help the blind become productive citizens—as they are able. I think it is magnificent that he has lent himself to this effort as well.

I sent the bill to the desk for appropriate reference, and I ask unanimous consent that its text be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3425) to amend the Wagner-O'Day Act to extend the provisions thereof to severely handicapped individuals who are not blind, and for other purposes, introduced by Mr. Javits (for himself, Mr. Magnuson, and Mr. Randolph), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the Record, as follows:

"S. 3425

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled 'An Act to create a Committee on Purchase of Blind-made Products, and for other purposes', approved June 25, 1938 (52 Stat. 1196; 41 U.S.C. 46–48), is amended by striking out all after the enacting clause and inserting in lieu of the matter stricken the following: 'That there is hereby created a Committee to be known as the Committee for Purchase of Products and Services of the Blind and other Severely Handicapped (hereinafter referred to as the 'Committee') to be composed of two private citizens conversant with the problems incident to the employment of blind and other severely handicapped individuals and a representative of each of the following Government Department or Agencies: The Department of Agriculture, the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Health, Education, and Welfare, the Department of Commerce, the Department of Interior, the Department of Justice, the Department of Labor, and the General Services Administration. The members of the Committee shall be appointed by the President, shall serve without additional compensation, and shall designate one of their number to be chairman.

"'SEC. 2. (a) It shall be the duty of the Committee to determine the fair market value of all brooms and mops and other suitable commodities produced and offered for sale by, and services offered by, blind and other severely handicapped individuals to the Federal Government by any nonprofit agency for the blind or other severely handicapped, organized under the laws of the United States or of any State, to revise such prices from time to time in accordance with changing market conditions; and to make such rules and regulations regarding specifications, time of delivery, authorization of a central nonprofit agency or agencies to facilitate the distribution of orders among the agencies for the blind and other severely handicapped, and other relevant matters of procedure as shall be necessary to carry out the purposes of this Act: *Provided*, That no change in price shall become effective prior to the expiration of fifteen days from the date on which such change is made by the Committee.

"'(b) Rules and regulations of the Committee shall provide that, in the purchase by the Government of commodities produced and offered for sale by the blind and other severely handicapped, priority shall be accorded to such commodities produced and offered for sale by the blind, and that, in the purchase by the Government of services offered by the blind and other severely handicapped, priority shall, until the close of June 30, 1975, be accorded to services offered by the blind.

"'SEC. 3. All brooms and mops and other suitable commodities and services hereafter procured in accordance with applicable Federal specifications by or for any Federal department or agency shall be procured from such nonprofit agencies for the blind or other severely handicapped in all cases where such articles or services are available within the period specified at the price determined by the Committee to be the fair market price for the article or articles or services so procured: *Provided*, That this Act shall not apply in any cases where brooms and mops and other suitable commodities and services are available for procurement from any Federal department or agency and procurement therefrom is required under the provisions of any law in effect on the date of enactment of this Act, or in cases where brooms and mops and other suitable commodities and services are procured for use outside any State.

"'SEC. 4. For purposes of this Act—

"'(a) the term "severely handicapped" means an individual or class of individual or class of individuals who is under a physical or mental disability which constitutes a substantial handicap to employment and is of such a nature as to prevent the individual under such disability from currently engaging in normal competitive employment; and

"'(b) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, America.. Samoa, and the Trust Territory of the Pacific Islands.'

"'SEC. 2. The amendments made by the first section of this Act shall take effect on the first day of the ninth month following the month in which this Act is enacted."

Senator JAVITS. Also, if the chairman will allow me, I must go to another committee meeting and help mark up a bill of Senator Nelson's.

Senator RANDOLPH. Thank you.

We will begin with Edward Newman.

If you will come to the stand and if there is someone accompanying you, we will be delighted to have him.

Would you give your name and identify your organization and your associate who sits with you.

STATEMENT OF EDWARD NEWMAN, COMMISSIONER, REHABILITATION SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, ACCOMPANIED BY DR. DOUGLAS MacFARLAND, DIRECTOR, DIVISION FOR THE BLIND, REHABILITATION SERVICES ADMINISTRATION

Mr. NEWMAN. Thank you.

I am Edward Newman, Commissioner, Rehabilitation Services Administration in the Department of Health, Education, and Welfare and on my right is Dr. Douglas MacFarland, who is the head of the Division for the Blind of our Rehabilitation Services Administration.

I have a short statement which I would like to deliver at this time.

I welcome this opportunity to appear before the members of this committee to testify on S. 2461 to amend the Randolph-Sheppard Act and S. 3425 to amend the Wagner-O'Day Act.

When Congress passed the initial Randolph-Sheppard Vending Stand Act in 1936, which established authority for the vending stand program, it opened a new era of opportunities for the blind of the Nation to become self-sufficient citizens. This has been one of the most effective programs in the rehabilitation of blind persons.

From its humble beginning, the program has made a significant impact on the social and economic lives of a great number of blind persons who might otherwise have required public financial support.

The 1954 amendments to the original act and the 1965 amendments to the Vocational Rehabilitation Act have considerably strengthened services which can be provided blind persons employed under the program.

The Committee on Labor and Public Welfare has a remarkable record of devotion to the needs of disabled people of the Nation, especially the needs of the blind.

I am especially pleased, Senator Randolph, to have this opportunity to appear before you and to express appreciation to you on behalf of the Rehabilitation Services Administration for taking time from your busy schedule to be with us during the celebration of our 50th anniversary on June 11.

Your tireless efforts are well known throughout the country. It is, therefore, a privilege for me to express gratitude not only on behalf of our agency but more important the heartfelt thanks of thousands of blind persons.

Without such continued interest and support, the vending stand program could not have grown to the point where, in fiscal year 1969, individuals employed under the program as blind operators received $17.8 million as income. The program provided employment opportunities for 3,341 blind operators who realized an average net income of $5,868. This has been a substantial measure of self-support for these individuals.

S. 2461, the bill which you are considering today, would extend and expand this program in its efforts to provide employment opportunities for a much greater number of blind persons.

At the same time, it would also enable the State licensing agencies to modernize their vending stand programs in accordance with the technological changes which have occurred in the vending business since this law was last amended. The passage of certain provisions of this legislation will add to the rehabilitation of blind persons throughout the country and will facilitate broader and improved services to the customers served through the program.

A basic point I would like to make, Mr. Chairman, is that the administration is fully committed to the improvement and expansion of this most worthwhile program.

While we are in basic agreement with the bill and feel that it will represent a great stride forward, we do have a number of suggestions for changes which we believe would strengthen the bill even more.

Senator RANDOLPH. At that point, I want you to know that I am most receptive and I am sure others on our subcommittee and committee are most anxious to have the aid of you and your associates in the consideration of improvements that will be worth while. Our only desire is to have this hearing, and the hearing following, allow us to join our efforts to make these improvements and to report a bill to the Senate.

VENDING MACHINE PROCEEDS

Mr. NEWMAN. Thank you. It is in this spirit that we would be offering any assistance that we can to you in this effort.

These proposed changes are a result of our experience in administering the program.

While equitable distribution of vending machine income has been in many instances the basic cause for disputes between State licensing agencies and Federal agencies and departments, we question whether the exclusive 100-percent assignment of vending machine income to the licensed blind operator, as encompassed in this bill, is a practical solution.

Proceeds from vending machines in reasonable proximity to, and in direct competition with, a vending stand should be considered revenue for the licensed blind operator. The outstanding success of this program has certainly been based, in part, on good customer relationships.

It would, therefore, seem in the best interests of all concerned to develop a formula for distribution of revenue from other machines on

the same property on which vending stands are located which is equitable to the interests of both blind operators and Federal employees.

Senator RANDOLPH. I interrupt again at this point, not to break the continuity of your statement, but to state my personal feeling in a broad way. It is that certainly there must be a fair formula in the apportionment of funds. The basic issue, as I understand it, very often involves what I call machines against, or versus, people.

In any dispute, if that is the right word, over funds, why, I think the issue must be resolved on the side of the people.

That is my general statement that I want reflected in the record at this time.

Mr. NEWMAN. I would be in full accord with that statement, Mr. Chairman.

Senator RANDOLPH. You know, there are times, and I have documented evidence, not particularly on this subject, but in other programs, where a machine rather abruptly displaces a person.

We felt the effects of this type of programing in connection with our coal mining industry and, whereas the machine could do the work of many men, perhaps one machine displacing 40 workers, there were, Mr. Newman, perhaps not at that moment, but in a few years—and the problems accumulate with the years—the dislocation of the lives of people to such an extent that we are spending money and more money to do that which perhaps might have been better spent to have kept more men on the job.

Do you see what I mean?

Mr. NEWMAN. Yes.

Senator RANDOLPH. Because they were taken out of productive employment, and I mention it here today, not as one against the automation of any activity, but there are the side effects often that can, in the aggregate, equal the so-called good effects that come from the automated operation.

Now, I am not attempting to lay this as a parallel before us today, but in Russia, at the present time, we have an employment of approximately 1,250,000 persons in coal mining.

Now, in this country, perhaps we have 250,000 persons in coal mining. I am not attempting, as I say, to give this as an illustration that would hold water, but it does indicate that oftentimes you can have gainful employment for more people and still continue to have safe mines and mines that are operated, in a sense, with efficient equipment to supplement the workers themselves.

Mr. NEWMAN. Thank you for making that point, Mr. Chairman.

As you know, our sole business is trying to help handicapped people to become more self-sufficient and to gain a useful and dignified place in our economy and our society.

The General Services Administration in consultation with the Department of Health, Education, and Welfare has developed one formula for equitable distribution of such income under present law. This formula provides that all income from vending machines in direct competition with a vending stand shall accrue to the operator of the vending stand.

At least 50 percent of income from other vending machines on the Federal property as the vending stand is assigned to the State licensing agency for distribution to operators employed within the location, or for set-aside program purposes under the Randolph-Sheppard Act.

GSA, as the agency responsible for the Federal property and appropriate HEW officials then determines the conditions and circumstances under which employee groups share in the remainder of the revenues.

LEGAL STATUS OF GROUPS

Senator RANDOLPH. What is the legal status of the employed groups which share in the revenues?

Mr. NEWMAN. May Dr. MacFarland speak to this?

Senator RANDOLPH. Yes; I think it is important at this point.

Dr. MACFARLAND. The GSA regulations talk about legally constituted welfare organizations, not just any group that might be formed overnight, but organizations that are considered by GSA and by the management of the particular building to be legally constituted welfare groups, employee organizations.

Senator RANDOLPH. Thank you very much.

Mr. NEWMAN. In lieu of exclusive assignment of vending machine income as presented in section 1 of S. 2461, we recommend adoption of the GSA formula just described. We have provided suggested legislative language in the attachment to this testimony.

We feel that the act would be strengthened by the provision in this bill which eliminates the requirement that a licensed blind operator be at least 21 years of age. This would give States flexibility to establish their own requirements in this area.

The legislation under consideration specifies additional types of articles and services available in vending stands by including food and beverages prepared on and off the premises. Since the sale of food and beverages has met with success in present locations, we feel that this clarification of the present law is desirable.

Certain sections merely update the act—deletion of the 1-year residence requirement and archaic language—and we would certainly concur in these proposed changes.

We have worked closely with the Defense Department in order to avoid competition between Randolph-Sheppard facilities and post exchanges so as not to divert income which is normally used as nonappropriated funds for recreational services for military personnel. However, we believe that military installations could support additional vending stand locations.

Senator RANDOLPH. I am very gratified that you made that statement and you have made it after careful study, review, and evaluation?

Mr. NEWMAN. Yes, we did.

We would note that in fiscal year 1969, out of 856 vending stand locations on Federal properties, only 43 were located on properties controlled by the Department of Defense. We will continue to work with the Defense Department to establish additional vending stands on these properties.

Senator RANDOLPH. I think it might be appropriate, not in just your criticism, say, of the Department of Defense, but an explanation for the record of the problem or problems that seem to continue with the Defense Department in the effort that you are making.

Mr. NEWMAN. I am sorry, sir.

Senator RANDOLPH. What is the attitude of the Defense Department? Is it reluctant or it is cooperative in attempting to find these stand locations? What is the problem?

Mr. NEWMAN. It depends upon, not just the Department of Defense as a large, single organization, but as separate facilities. Some military installations have people in their command who are more amenable to having our blind stand operations and some are not.

It is a question of interpretation and negotiation and trying to bring the intent of t' 's legislation forcefully to the people in charge of these installations.

Senator RANDOLPH. Just for an example—and perhaps I am not informed and I ask it more in the nature of a question. Let's take Fort Belvoir. That is an installation south of Washington, as we know.

Mr. NEWMAN. Yes.

Senator RANDOLPH. I suppose it is an installation where there are, perhaps, if not several thousand, several hundreds of Armed Forces personnel based at that installation.

What do you have in the way of vending stands there?

Mr. NEWMAN. I am not familiar with that specifically.

Dr. MACFARLAND. We have the director of the Virginia Commission for the Visually Handicapped. I think he can tell you how many stands, if any, they have at Fort Belvoir.

Senator RANDOLPH. We would like this for the record.

Mr. COPPAGE. My name is William Coppage, director of the Virginia Commission for the Visually Handicapped which is a State licensing agency for Randolph-Sheppard vending stands.

We have no vending stand locations at Fort Belvoir.

Senator RANDOLPH. Have you tried?

Mr. COPPAGE. In spite of several attempts by our staff to secure locations there, we have been unsuccessful so far.

Senator RANDOLPH. What is the personnel complement at that installation, the number of persons ordinarily there, that the stands would service?

Mr. COPPAGE. I don't have the information as to the number of personnel.

Mr. NEWMAN. We would be pleased to supply it for the record.

Senator RANDOLPH. I was going to ask that it be made a part of the record, the number of persons.

I am using an example because I thought there was no stand, but I wanted to know. I want to know why there is no stand there. It is in the Washington area and I just—we may decide to have certain persons appear from the Department of Defense during these hearings. We have raised a point here that we may find necessary to clarify.

ON PX COMPETITION

Mr. NEWMAN. This is not based on competition between vending stands operated by blind operators and PX, the post exchanges, because we recognize that profits from post exchanges are used as

nonappropriated funds to provide recreational materials for service personnel.

But we do feel that there are a number of installations around the country where the majority of employees on the base are civilian employees and we believe that there is room, perhaps more than enough room, for vending stand installations.

We are negotiating with the Defense Department, but certainly would like to see things move a little faster.

Senator RANDOLPH. Really, Mr. Newman and Dr. MacFarland, I am somewhat shocked at the lack of vending stands in the Defense Department by the very figures that you have given. I hope we can bring this matter in focus and clarify the points in issue and perhaps a hearing can be conducted in an effort of this kind to bring about a better understanding, not that you haven't been working for that, but sometimes the chairman of this special subcommittee needs to be shaken up a little.

That is the way with every single program. We need to shake it a little.

Dr. MACFARLAND. In all fairness to the officials of DOD, Senator, they have been cooperative.

Senator RANDOLPH. Thank you very much.

Mr. NEWMAN. The bill would expand the fair hearing requirements to include a binding arbitration procedure for settling disputes between the State liscensing agency and the operator. The entire act is designed to develop substantial employment opportunities for blind persons, and we support any appropriate mechanism for protecting the rights of the blind operator.

Thus, in those cases in which the State licensing agency and the blind operator are still in disagreement following an agency hearing, we would not object to further safeguarding the rights of the operator through binding arbitration. In light of this provision in the bill, we assume the inclusion of operators under the proposed judicial review provision was inadvertent.

The bill would substitute the term "vending facility" for the somewhat outdated term "vending stand," and would add a definition of the new term. The only change which we would recommend in that definition would be to limit the inclusion of cafeterias to those cases where the State licensing agency can demonstrate the feasibility of the inclusion of such facilities, as evidenced by a program of training and supervision of blind licensees commensurate with the proposed operation.

Another section of the bill provides for arbitration between the State licensing agencies and agencies controlling Federal properties. At present, by executive order, we have an administrative appeals mechanism for resolving disputes between State licensing agencies and the departments or agencies controlling Federal properties.

We have had relatively few appeals, most of which have been resolved under the present arrangement. We are concerned that interposing an arbitration board between the State licensing agencies and the Federal agencies would merely add an additional layer of administrative review and involve additional expenses.

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RETIREMENT AND OTHER FRINGE BENEFITS

We also feel that the act would be further strengthened by a provision to give States the authority to provide operators of vending stands with retirement, leave, and other fringe benefits. We know from past experiences that many States are attempting to effect a sound leave and retirement system but are unable to finance a plan which would be beneficial to all operators.

Turning to the Wagner-O'Day Act, like the Randolph-Sheppard Act, has been in operation for more than three decades. It, too, has provided substantial gainful employment for thousands of blind persons. The current law makes it possible for workshops for the blind to produce articles of high quality that are purchased for use by Government agencies at a fair market price.

The program is now providing substantial employment for more than 5,000 blind workers, some of whom have other severely disabling conditions in addition to blindness.

Through research recently supported by our agency, it was clearly demonstrated that with proper reengineering of jobs involving assembling, packaging, and machine operation, it was entirely possible for multiply-handicapped blind persons to compete favorably on workshop operations and receive earnings in excess of the prevailing minimum wage scale.

The research clearly indicates that the expansion of the Wagner-O'Day Act will benefit many severey disabled persons other than the blind and will create thousands of new job opportunities without detracting from the original intent of the program.

Mr. Chairman, these two acts outline the most graphic examples of how this Government is able to help its citizens to help themselves. We hope that you will give S. 2461, as amended by our suggestions, and S. 3425 your favorable consideration.

We are attaching a copy of S. 2461 which has been marked up to reflect the changes recommended in this statement, and we will be glad to furnish the committee with any other technical assistance it requests.

(The copy of the bill follows:)

S. 2461 SHOWING RECOMMENDED CHANGES

[S. 2461, 91st Cong., first sess.]

[Omit the part printed in black brackets, and insert the part printed in italic]

A bill to amend the Randolph-Sheppard Act for the blind so as to make certain improvements therein, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Randolph-Sheppard Act for the Blind Amendments of [1969."] *1970."*

PREFERENCE FOR VENDING FACILITIES ON FEDERAL PROPERTY

SEC. 2. Section 1 of the Act entitled "An Act to authorize the operations of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes," approved June 20, 1936 (20 U.S.C. 107), is amended to read as follows:

"SECTION 1. For the purposes of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, blind persons licensed under the provisions of this Act shall be authorized to operate

vending facilities on any Federal or other property. In authorizing the operation of vending facilities on Federal property, preference shall be given, so far as feasible, to blind persons licensed by a State agency as provided in this Act; and the head of each department or agency or control of the maintenance, operation, and protection of Federal property shall after consultation with the Secretary and with the approval of the President, prescribe regulations designed to assure such preference (including [exclusive] assignment of vending machine income to achieve and protect such preference) for such licensed blind persons without adversely affecting the interests of the United States."

CONCESSION VENDING SURVEYS

SEC. 3. Section 2(a)(1) of such Act of June 20, 1936 (20 U.S.C. 107a), is amended to read as follows:

"(1) Make surveys of concession vending opportunities for blind persons on Federal and other property in the United States;"

VENDING FACILITY

SEC. 4. Such Act of June 20, 1936, is further amended [to strike] *by striking* the words ["vending stand(s)"] *"stand"* and ["stand(s)"] *"stands"* wherever they appear and inserting in lieu thereof the words ["vending facility(ies)".] *"facility" and "facilities," respectively.*

ELIMINATION OF AGE REQUIREMENT AND VENDING OF FOOD AND BEVERAGES

SEC. 5 Section 2(a)(4) of such Act of June 20, 1936, is amended by (1) striking out "and at least twenty-one years of age" and (2) striking out "articles dispensed automatically or in containers or wrapping in which they are placed before receipt by the vending stand, and such other articles" and inserting in lieu thereof the following: "foods, beverages, and other such articles or services dispensed automatically or manually and prepared on or off the premises in accordance with all applicable health laws[, as determined by the State licensing agency:]".

DELETION OF CERTAIN LIMITATIONS IN LICENSING BLIND OPERATORS OF VENDING FACILITIES

SEC. 6. Section 2(b) of such Act of June 20, 1936, is amended by (1) striking out "and have resided for at least one year in the State in which such stand is *to be* located" and (2) striking out "but are able, in spite of such infirmity, to operate such stands."

PROVISION OF VENDING FACILITY LOCATIONS

SEC. 7. Section 2 of such Act is further amended by adding a new subsection (d) at the end thereof:

"(d) In the design, construction, or substantial alteration or renovation of each public building after January 1, [1970,] *1971*, for use by any department, agency, or instrumentality of the United States, there shall be included, after consultation with the State licensing agency, a satisfactory site or sites with space and electrical and plumbing outlets and other necessary requirements suitable for the location and operation of a vending facility or facilities by a blind person or persons. No space shall be rented, leased, or otherwise acquired for use by any department, agency, or instrumentality of the United States after January 1, [1970,] *1971*, unless such space includes, after consultation with the State licensing agency, a satisfactory site or sites with space and electrical and plumbing outlets and other necessary requirements suitable for the location and operation of a vending facility or facilities by a blind person or persons. All departments, agencies, and instrumentalities of the United States shall consult with the Secretary (or his designee) and the State licensing agency in the design, construction, or substantial alteration or renovation of each public building used by them, and in the renting, leasing, or otherwise acquiring of space for their use, to insure that the requirements set forth in this subsection are satisfied. This subsection shall not apply when the [Secretary (or his designee)] *head of the department or agency in control of the maintenance, operation, and protection of the Federal property concerned* and the State licensing agency determine that the number of people using the property is insufficient to support a vending facility."

ASSIGNMENT OF VENDING MACHINE INCOME

SEC. 8. Section 2 of such Act is further amended by adding after subsection (d) (as added by section 7 of this Act) the following new subsection:

"(c)(1) The head of each department or agency prescribing regulations pursuant to section 1 shall, in such regulations, (A) provide, among other things, that revenue from vending machines which are located within a reasonable proximity to and which are in direct competition with a vending facility shall be treated as proceeds of the vending facility, and (B) after consultation with the Secretary, specify the criteria for determining when a vending machine is so located and in such competition.

"(2) The head of such department or agency shall further, in such regulations, (A) provide that no less than one-half of the revenue from a vending machine on the same property as a vending facility (other than a vending machine to which paragraph (1) is applicable) shall be assigned to the State licensing agency for use in carrying out the purposes set forth in section 3(3), and, (B) after consultation with the Secretary, specify the criteria for determining the circumstances or conditions under which an amount in excess of one-half of such revenue may be assigned to the State licensing agency."

USE OF FUNDS SET ASIDE FROM PROCEEDS OF VENDING FACILITIES

SEC. 9. Section 3(3) of such act of June 20, 1936 (20 U.S.C. 107b), is amended by (1) striking out "and" immediately preceding "(D)" and (2) inserting immediately before the colon preceding "Provided," the following;": and (E) providing operators of vending facilities retirement benefits and benefits while they are on leave from such vending facilities".

ARBITRATION BETWEEN OPERATORS AND LICENSING AGENCIES

SEC. [8.] *10.* Section 3(6) of such Act (20 U.S.C. 107b) is amended by substituting a comma for the period at the end thereof and adding the following new wording: "including binding arbitration by three persons consisting of one person designated by the head of the State licensing agency, one person designated by the licensed blind operator, and a third person selected by the two."

DEFINITIONS

SEC. [9.] *11.* (a) Section 6(b) of such Act (20 U.S.C. 107e) is amended to read as follows:

"(b) The term 'blind person' means a person whose central visual acuity does not exceed 20/200, in the better eye with correcting lenses or whose visual acuity, if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree than its widest diameter subtends an angle of no greater than 20 degrees."

(b) Section 6 of such Act is further amended by adding at the end thereof the following new subsection:

"(f) The term 'vending facility' includes, but is not limited to, automatic vending machines, [cafeterias,] snackbars, cart service, shelters, counters, and such other appropriate auxiliary equipment (as the Secretary may by regulations prescribe) as are necessary for the sale of the articles or services referred to in section 2(a)(4), which are, or may be operated by blind [licensees."] *licensees, and such term also includes cafeterias, but only upon a demonstration by the State licensing agency of the feasibility of the inclusion of such facilities, as evidenced by a program of training and supervision of blind licenses commensurate with the proposed operation."*

[ARBITRATION BETWEEN AGENCIES

[SEC. 10. Such Act is further amended by redesignating section 8 (20 U.S.C. 107f)as section 9 and by inserting the following new section after section 7:

["SEC. 8. (a) An arbitration board of three persons consisting of one person designated by the Secretary who shall serve as chairman, one person designated by the head of the Federal department or agency controlling Federal property over which a dispute arises, and a third person selected by the two who is not an employee of the departments concerned shall hear appeals as provided in subsection (b) of this section.

[“(b) If, in the opinion of a State licensing agency designated by the Secretary under this Act, any department or agency in control of the maintenance, operation, and protection of Federal property is failing to comply with the provisions of this Act, or any regulations issued thereunder, it may appeal to the board. The board shall, after notice and hearing, render its decision which shall be binding. If the board finds and determines that the acts or practices of any such department or agency are in violation of this Act, or the regulations issued thereunder, the head of the affected department or agency shall promptly cause such acts or practices to be terminated, and shall take such other action as may be necessary to carry out the decision of the board. All decisions of the board shall be published.”]

JUDICIAL REVIEW

SEC. [11.] *12.* Such Act is further amended by adding the following new section:

[“SEC. 10. Notwithstanding other provisions of this Act, any blind person or State licensing agency suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of this Act or other relevant statutes, shall be entitled to and shall have standing for judicial review thereof.”]

“Sec. 9. Any State licensing agency designated under section 2(a)(4) of this Act which is dissatisfied with the final decision of the head of any department or agency in control of the maintenance, operation, and protection of Federal property concerning any matter governed by this Act or any regulations issued thereunder, may, within 60 days after it has been notified of such decision, file a complaint in the district court of the United States for the judicial district in which the Federal property is located. As part of his answer the head of such department or agency shall file in the court the record of the proceedings on which he based his decision. The findings of fact of the head of such department or agency, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the head of such department or agency to take further evidence, and he may thereupon make new or modified finding of fact and may modify his previous decision, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The court shall have jurisdiction to affirm the action of the head of such department or agency or to set it aside, in whole or in part. The judgment of the court shall be subject to review in the same manner as a judgment in other civil actions.”

EFFECTIVE DATE

SEC. 12. The amendments made by this Act shall become effective January 1, 1970.

Senator RANDOLPH. Mr. Commissioner, we are very grateful for your testimony and Dr. MacFarland's.

I have one question to be answered as we conclude your testimony.

I mentioned the Department of Defense after you had highlighted it.

Mr. NEWMAN. Yes, sir.

Senator RANDOLPH. Now, is there an estimate of the cases over the last 5 years in which your office felt a stand could be located but there was a difficulty in the location of that stand, or stands, with the Federal agency involved?

Mr. NEWMAN. Do we have an estimate of numbers?

Senator RANDOLPH. Yes.

Dr. MACFARLAND. I think we can provide for you, Senator, an exact number.

I would estimate—probably 35 over the past 5 years where we have contended a stand might be located and where others have contended it should not.

Senator RANDOLPH. Thirty-five locations?

Dr. MACFARLAND. That have been brought to our attention.

Mr. NEWMAN. That is of the total of over 3,000 in existence.

Senator RANDOLPH. That is not just Federal installations or buildings you are talking about, but the total in other levels of Government?

Mr. NEWMAN. That is correct.

Senator RANDOLPH. Thank you very much.

Now, Peter Salmon, if you would please come up.

If you have any associates with you, please identify them.

INTRODUCTION OF DR. PETER J. SALMON

Senator JAVITS. Mr. Chairman, I'm especially pleased to present a distinguished constituent, Dr. Peter J. Salmon, director of the National Center for Deaf-Blind Youths and Adults.

Dr. Salmon is generally considered as the dean of the professionals engaged in services to the blind. A graduate of the Perkins Institute for the Blind in 1916, he joined the staff of the New York Association for the Blind and in 1917 began a long association with the Industrial Home for the Blind which terminated in January 1966, when he retired as executive director. Among his noted accomplishments is the development of the only major facility in the Nation for the adult deaf-blind.

Not only is he the recipient of many awards and citations but the National Industries for the Blind has also established an award in his name for the outstanding blind worker of the year determined under a national competition.

STATEMENT OF PETER SALMON, DIRECTOR, NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS, BROOKLYN, N.Y.; ACCOMPANIED BY IRVIN P. SCHLOSS, LEGISLATIVE ANALYST, AMERICAN FOUNDATION FOR THE BLIND, WASHINGTON, D.C.

Mr. SALMON. Good morning.

I am Peter J. Salmon. I am the administrative vice president of the Industrial Home for the Blind as well as the director of the National Center for Deaf-Blind Youths and Adults.

Today I have the privilege of speaking for, and representing, the American Association of Workers for the Blind, the American Foundation for the Blind, and the Blinded Veterans Association. All of these agencies are well known to the chairman and to other members of the committee and Congress.

I am very pleased to have beside me Mr. Irvin P. Schloss, who is a staff member of the American Foundation for the Blind and who, like John Nagle, has done a very great piece of work in informing the Congress and working with the departments on matters of legislation and on programing.

I would like to join the chairman in offering my high respect, as a longtime friend of John Nagle. We are very sorry that he had the accident. I happened to be in Minneapolis just a little while after it occurred, and I know that he will appreciate what you said, Mr. Chairman.

He went up the steps of the speakers platform and near the rostrum he just happened to turn and fell right back down the steps.

We talk a great deal about architectural barriers, but if there is one thing that I have seen that is a great hazard, it is these platforms that are set up temporarily for people to speak from. There have been many, many people that have fallen from these. There ought to be some consideration in that area.

Senator RANDOLPH. I am grateful you inject this subject because we are meeting in the Public Works Committee room, although the jurisdiction for this legislation is not in that committee, but in our Committee on Public Works, the Subcommittee on Buildings and Grounds, we are giving attention at this very time to the very matter which you are discussing.

We have been looking into it very carefully in connection with subways from the standpoint of the blind and handicapped persons who may have difficulty in going to the location of the moving vehicle. It is a matter of real concern.

I am very glad you bring it to our attention here today. I think I should say that I have had personal experience with those flimsy stands on which we try to speak, as one who has spoken from almost every type of platform, including a wagon in the State of West Virginia.

The wheels weren't chocked just right and the wagon started rolling. So, it was a moving speech.

Really, it is a problem and I recall down in Nashville, Tenn., when that platform gave way and there were several of those of us who were on the platform and there were some injuries involved.

I am glad you have mentioned it here today.

Mr. SALMON. Thank you.

For the record, we have provided a written statement on the two bills that are in consideration here this morning, the Randolph-Sheppard Act and the Wagner-O'Day Act.

It is really altogether too seldom that we have an opportunity to express our appreciation to the committees who consider these various pieces of proposed legislation. In this case your own participation going all the way back to the beginning of the Randolph-Sheppard Act, when it was just a thought, is something that we are glad to be able to tell you as we see you in this hearing, Senator Randolph.

In that connection, I would like to mention, too, that none of these things happen without somebody, or some number of persons, citizens, doing a great deal of work; and we can't forget the very great work that was accomplished by Leonard Robinson, a blind person, who really, in a sense, singlehandedly did the promotion of this act from the standpoint of in-the-field work for the blind.

Senator RANDOLPH. That is so correct. I am eager, always, to express an appreciation and it is a very genuine one for Leonard Robinson's efforts and so many others that I could place in the record. But I never forget these facts and I had had an interest in the subject matter in 1930–31, when I served as the governor of the Lions Clubs of West Virginia. I will not go into the program that we brought into being at that time on a statewide basis to help younger persons who were in our State school for the blind. It was a very successful effort for operations. My thanks to a man like Dr. Jay Blaydes who, in a sense, performed 60 operations and he would not take one penny of pay for the work that he did.

There are these people along the trail by the hundreds who made these contributions.

I remember Leonard corraled me on a boat in the Mississippi River and talked to me about the needs and about the efforts in Congress and how we had to try again and again.

Who could deny a man who had you on a boat. You couldn't get away. If you were on land, you could run.

Of course you couldn't do that.

I don't say these matters lightly today but I am grateful that you have mentioned his name along with so many others. We would not fail to think of all of them and we want the record to reflect it.

I think so very often, not only on this subject, but many subjects, that we have become so engrossed with the problems of the present administration of the act that we forget the pioneers who brought them into being.

This is a place for a pause and you have given it this morning for recognition of these people.

Mr. SALMON. Thank you.

I sort of feel this is a second time around for me because, like you, I was around at the time when both of these acts were being considered; and it just doesn't really seem all of these years between 1936 and 1938 when the Randolph-Sheppard and Wagner-O'Day Acts——

Senator RANDOLPH. Do you remember when the Post Office Department opposed our bill in the hearings?

Mr. SALMON. Certainly, yes.

Senator RANDOLPH. I remember it very well.

Mr. SALMON. I do, indeed.

Senator RANDOLPH. Yes.

Mr. SALMON. We had practically no opposition to the Wagner-O'Day Act. There was only one seven-page letter which was written so badly that we could shoot holes through it. That was a landmark situation. That doesn't happen too often.

Senator RANDOLPH. I note in your statement that you approve the change of the name from "vending stand" to "vending facility." I think this is more important than just the change of words. It does become a facility.

Mr. SALMON. Yes, Mr. Chairman.

Relative to the Randolph-Sheppard Act, I would like to mention one situation which I think is of interest. That is that just prior to the passage of the act, there was a blind person who obtained the privilege of working in the General Post Office of Brooklyn. This was in April of 1935.

It was based on an Executive order. I have forgotten whether it was the Post Office Department itself or a Presidential order. He was allowed to sell newspapers and anything else he could hold on a strap, and he did that until the Randolph-Sheppard Act came into being and the program became effective. He has been, and still is, there all these years and has been averaging about $5,000 a year on that stand.

It was, at that time, an experiment that, hopefully, was going to have something to do with the blind person receiving the privilege of participating in a vending stand program.

There are many other blind persons that have had long tenures in operation of stands and have earned a very good livelihood. They represent, perhaps, the smallest of the small businessmen in our society and they render a very good account of themselves. They are respected and admired by the public they serve.

JOB OPPORTUNITIES LIMITED

Without this program for the 3,341 blind vending stand operators who average earnings around $5,800 a year, it would be difficult, indeed, to find another occupation in which such a large number of blind persons could participate and be compensated for services rendered. It is a very, I think, heartening thing that the program has worked out as well as it has.

Senator RANDOLPH. At that point I would like to interrupt.

Dr. MacFarland, you are still here and would you give us your thinking, just at this point, Mr. Salmon, of the possibility of a rather—well, not an overnight increase in that 3,400 persons.

As we work toward, let's say, 5,000 persons, is that a possibility in the next few years?

Dr. MACFARLAND. Yes, sir; we had a study conducted by a management firm a couple of years ago. They estimated that we could have 7,500 operators.

Senator RANDOLPH. By what year? Was there a target year?

Dr. MACFARLAND. 1975 was their target year. I am afraid we are somewhat delayed with legislation, so, probably 1977 might be a better date.

Senator RANDOLPH. We might make it 1976. That would be 40 years after the act came into being. I want to be around.

Go ahead, sir.

Mr. SALMON. I would like to make some brief remarks relative to the amendments to the Wagner-O'Day Act which, like the Randolph-Sheppard Act, is unique in its concept and very beneficial in its operation.

The Wagner-O'Day Act Amendments, which is the bill being sponsored by Senator Javits as well as yourself, are designed really to bring the act up to date. It has not been amended previously, and the main objective now in bringing it before you is to offer an enlargement of the act to other severely handicapped persons in addition to the blind.

Senator RANDOLPH. At that point—and I had expected to ask it earlier—in your formal statement on page 1 you referred to the special needs of our severely disabled Vietnam veterans.

We do not have the deaths on the fighting field that we once had because the units are able to move in by helicopters and other methods and go to the aid of the wounded very quickly. This is part of the picture.

Later we are faced with the disabled veterans that actually form a rather large group of persons and are you working, your association and other associations, with the Veterans' Administration in matters of this kind?

Mr. SALMON. Yes, we are. I would like to ask Mr. Schloss to comment on that.

Mr. SCHLOSS. Blinded Veterans Association is in close touch with the Veteran's Administration.

There is a high incidence of blindness coming out of the Vietnam war that was not true for World War II and the Korean war. There is a high number of veterans with multiple disabilities coming out.

We are hopeful that the vocational rehabilitation programs of the Veterans' Administration will fulfill their intent to integrate these individuals, despite their more severe disabilities, into the mainstream of our economic life.

Senator RANDOLPH. I am hopeful—and have inquired of Senator Cranston who wanted to come this morning. He, of course, is a member of this committee but is chairman of our Subcommittee on Veterans' Affairs. He might want to use a little time to explain what the subcommittee has found from the standpoint of these injuries resulting from the Korean as well as Vietnam fighting.

Mr. SALMON. Those whom the Wagner-O'Day Act serves, to a great extent, are blind persons with additional major handicaps which often prevent them from competing in normal vocations in business, industry, and the professions.

However, the program developed through this legislation has helped to open a great many work opportunities for blind persons who are able, through the help that they receive in working in the Government program, to get into competitive employment.

The necessity for meeting the exacting specifications of the Government and delivery schedules has aided greatly in the development of the productivity and the ability of the workers to carry forward the program of services to the Government and has helped to strengthen the management of the workshops; because if the product was not correct, from the Government's standpoint it was rejected.

Over the years, the agencies of the Government, many of them, have given high praise to the workshops for their ability to meet the Government requirements.

During World War II many of the agencies were cited especially for their work in the war effort and for making extraordinary efforts toward that end.

The main purpose of the amendments at this time is to bring under the purview of the act other handicapped persons, as I have mentioned previously, and to provide for the inclusion of services in addition to products.

This is a new feature and in this connection all those concerned have agreed that the blind persons of the workshop should have a priority for 5 years with respect to these services.

I just have a couple of more items, Mr. Chairman.

Over the years one of the most important provisions of the act has been administered through a regulation that 75 percent of the direct labor in producing a product should be done by the blind. We think this requirement should carry over to the other severely handicapped persons when they come under the act because if, for example, a provision of 50/50 were to be adopted—50-percent blind and 50-percent sighted labor to produce a product—this would nullify the basic reason for the creation of the Wagner-O'Day Act which was to provide work opportunities for blind persons.

Over the years it has been demonstrated that the 75 percent of direct labor to make the product legally made by the blind has worked out very well indeed and in many instances the ratio is 90/10, so that we hope that the 75-percent provision will be maintained.

I want to thank you, Mr. Chairman.

I do, without gilding a lily or anything of that kind, want to, in conscience, mention Maj. M. C. Migel who was the first president of the American Foundation for the Blind and Dr. Robert B. Irwin who was their distinguished director for some years and who bothered the Speaker of the House so much that the Speaker told him he was going to throw him out of his office bodily if he came back again.

He came back again and, if he hadn't, this act might never have been passed. Sometimes a little over persistence helps. He was deeply concerned that this act should come into being, and he labored hard to get it done.

One other person whom you may remember was James C. Bennett who was the director of Federal Prison Injuries. He helped us draft the act even though the Federal prisons had previously set up legislation which gave them the first priority on any articles that could be sold to the Government.

So, we had very wonderful cooperation from the Government itself, helping to create an act which would, to some people, appear to take business away from the Federal prisons, but that wasn't true. And the fact that we were willing to take a second priority, leaving the prisons to take the first, has worked out very well over the years.

Thank you very much.

Senator RANDOLPH. We are very grateful for your testimony and we are also grateful to Mr. Schloss who also sits with you.

Mr. SCHLOSS. May I make a few brief comments?

Senator RANDOLPH. Yes.

SAFETY STANDARDS NEEDED

Mr. SCHLOSS. First, I just want to indicate one of the amendments we recommended to the Wagner-O'Day Act concerning compliance with occupational health and safety standards established by the Secretary of Labor; we have submitted for the files of the subcommittee several copies of the March–April, 1970 Rehabilitation Record, the publication of the Rehabilitation Services Administration.

The first article on page 1 is entitled "Rehabilitation Facilities: How Safe?" This deals with the efforts of the administration, under legislative authority, to upgrade health and safety standards in the facilities like the workshops which would be doing work under the Wagner-O'Day Act.

This is an area of need. There is provision for improving these safety standards and we would hope that this proposed amendment that we are offering to S. 3425 will be accepted.

Second, I would like to take this opportunity, if I may, to publicly express our appreciation to you for your part in assuring the maintenance of provisions for free mailing of recorded books, braille books, and other special educational aids, to blind and other severely handicapped persons who can't read ordinary print in the legislation to establish the new Postal Corporation.

Without this mailing privilege, the whole program of library services to blind persons would be in trouble. It is principally a mail order service.

We also certainly applaud the upgrading of salaries of postal workers in the legislation to create the postal authority.

One side which too many people don't think about, social isolation is a very serious problem of the aging. It is even more compounded for elderly blind persons and the visit of the postman who delivers these braille books and recorded books is a major event in the day of an older blind person who may be largely housebound.

One of our anxieties in connection with the postal legislation has been that through some inadvertent oversight in leaving out a necessary conforming amendment—and it is a complex bill—there might be something in it which can be interpreted to foreclose opening of new vending stands in Post Office buildings in the future. After the bill becomes law we would hope that, as passed, this would not be the case.

Those are the comments I wanted to make. I appreciate the opportunity to do so.

Senator CRANSTON. I am Senator Cranston. Senator Randolph had to leave for a moment.

I thank you very much for your helpful testimony.

I noted you said earlier that you were aware of the efforts that were underway to help disabled veterans. I think we are making progress in getting the funds that are needed for that.

I wanted to ask you one question that relates to that. Is there adequate liaison between the HEW Rehabilitation Service and the Veterans' Administration in their work with disabled veterans and blind veterans in relationship to the implementation of the Randolph-Sheppard and Wagner-O'Day Act? Could we make improvements in that so HEW would be benefited by the experience of the VA where they have, unhappily, long experience in dealing with these problems?

Mr. SCHLOSS. There is good liaison. In some instances State agency personel are called upon.

We would hope that most of the blinded veteran population, as a result of Veterans' Administration rehabilitation programs would be integrated into open competitive employment and not placed in workshops which would benefit from the Wagner-O'Day program.

There may be a few in such workshops who are very badly banged up who can't compete in competitive employment. Our goal for all blind people, not just veterans, is, of course, competitive employment at whatever level the individual is capable of achieving.

Senator CRANSTON. Do you think it would serve any purpose to have consideration given to amending those laws to require some greater degree of insured cooperation, coordination, exchange of information and experience?

Mr. SCHLOSS. I don't believe it would, sir. I think there is adequate exchange of information that is mutually beneficial. I don't think there is any need for any statutory provision to insure it.

Senator CRANSTON. I want to thank you very much for your testimony and appearance.

I order placed in the record a letter from Mr. Schloss in which he suggests a technical amendment.

(The material follows:)

AMERICAN FOUNDATION FOR THE BLIND, INC.,
New York, N.Y., July 20, 1970.

Senator JENNINGS RANDOLPH,
Chairman, Special Subcommittee on Handicapped Workers,
U.S. Senate, New Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Dr. Peter J. Salmon and I reviewed the statement of Dr. Edward Newman, Commissioner, Rehabilitation Services Administration on S. 2461, the Randolph-Sheppard Act Amendments currently before the Committee. We are submitting for your consideration the following comments on amendments proposed by him.

1. We oppose the recommended amendments concerning vending machine income which would give legal sanction to the illegal distribution of income from vending machines on Federal property to Federal employee recreation and welfare groups. It has been successfully demonstrated that blind persons can be trained to service vending machines, and retention of the phrase "exclusive assignment of vending machine income" in S. 2461 would assure blind persons of more employment opportunities in the Randolph-Sheppard program and prevent curtailment of the income of those blind persons already operating stands and other vending facilities on Federal property.

2. The proposed amendment to Section 2(a)(4) of the Act contained in Section 5 of the bill deleting the wording "as determined by the State licensing agency," would be disastrous. Agencies controlling Federal property could continue to effectively prevent vending facilities from providing an adequate living to their operators and also prevent installation of additional facilities by controlling the type of articles sold.

3. The proposed amendment to Section 6 of the bill inserted the phrase "to be" in front of the word "located" in the language stricken from the Act by that section of the bill. This technical correction is not applicable since the language in which it appears is stricken by S. 2461.

4. The proposed amendment to Section 7 of the bill in line 4 on page 5 substituting the head of the department or agency controlling Federal property for the Secrtary of HEW in determining whether a building is suitable for a vending facility location would create potential conflict with regard to this decision making authority. We believe the wording in S. 2461 should be retained to allow those professionals best able to determine the suitability of vending facility locations to make this decision.

5. We have already commented on the undesirability of the new Section 8 proposed by HEW and believe it should be stricken.

6. All of the six national organizations of and for the blind which developed the provisions of S. 2461 agreed not to expand the purposes for which set aside funds could be used. We therefore oppose HEW's proposed Section 9. Vending stand operators are themselves in disagreement on this point, and it would be best to provide for retirement benefits and leave benefits through other mechanisms than increased use of set aside funds.

7. We concur in the HEW proposed amendment in Section 9 (b) of the bill which qualifies the operation of cafeterias under the Randolph-Sheppard program.

8. We strongly oppose the HEW recommendation that the arbitration mechanism in Section 10 of the bill between state licensing agencies and agencies controlling Federal property be deleted. The present procedure for review by the head of the agency controlling Federal property is wholly inadequate, and state agencies therefore do not use it. The instance of Fort Belvoir brought to light during the hearings is a case in point where the state licensing agency in Virginia would not use the existing administrative appeals mechanism because it would be unproductive. The arbitration mechanism proposed in S. 2461 is less cumbersome and more equitable.

9. HEW's proposed Section 9 of the bill concerning judicial review is designed to make the judicial review mechanism provided for in S. 2461 ineffective. In addition to circumscribing the conditions under which a state licensing agency may seek court action, it does not allow an aggrieved blind person to seek judicial review. We cannot always expect every state licensing agency to seek court action on behalf of an aggrieved blind individual. The inclusion of the judicial review

provision as presently written in S. 2461 will undoubtedly result in effective administrative redress of most problems without the need for actual court action.

In summary, we would strongly recommend favorable action on S. 2461 as introduced by Senator Randolph. Its provisions were carefully developed to assure continuity and expansion of employment opportunities in vending facilities on Federal property for blind persons. HEW's recommended changes were undoubtedly dictated by the Bureau of the Budget which historically has attended more to the desires of other agencies controlling Federal property and their reluctance to encourage employment of blind persons in vending facilities than to HEW, which has more direct knowledge of the operation and potential of the program.

I have confirmed with Mr. John Martiny, Counsel of the House Post Office and Civil Service Committee, that the new legislation creating a postal corporation does, in fact, foreclose the operation of Randolph-Sheppard vending facilities for the blind on property controlled by the postal corporation. This may have been an oversight. In any case, we are wiring Representatives Thaddeus J. Dulski and Robert J. Corbett of the House Post Office Committee, both of whom are sympathetic to programs for blind persons, to urge their support in conference for inclusion of the appropriate provision in the postal corporation legislation to correct this oversight. If this cannot be done, we would strongly recommend including an appropriate provision in S. 2461 similar to the attached. Otherwise, 375 blind vending facility operators in post offices—more than one-third of those employed on Federal property—will be out of work.

Sincerely,

IRVIN P. SCHLOSS.
Legislative Analyst.

Enclosure.

PROPOSED NEW SECTION 12 OF S. 2461

SEC. 12. Such Act is further amended by adding the following new section:

"SEC. 11. Notwithstanding any other provision of law, the provisions of this Act are applicable to any agency, establishment, or other entity created within the government of the United States to carry out the duties and functions of the Post Office Department or any other department or agency of the United States."

Senator CRANSTON. Our next witness is Durward K. McDaniel, the national representative of the American Council of the Blind.

We welcome you to this hearing and appreciate very much your presence and look forward to your testimony.

STATEMENT OF DURWARD K. McDANIEL, NATIONAL REPRESENTATIVE, AMERICAN COUNCIL FOR THE BLIND

Mr. MCDANIEL. Thank you, Senator.

It is a pleasure to have the opportunity to speak here today. I filed statements, one each on the two bills. I filed a statement on behalf of the American Council of the Blind and jointly for the Randolph-Sheppard Vendors of America which is a national organization of blind persons employed primarily in the vending stand program.

It is quite apparent that when they organized themselves 3 years ago, they considered it to be proper and fitting to name their organization after the original authors of the act so that, in many ways, this is a new way in which the appreciation is expressed to those far-seeing members of the Congress in 1936 who were successful in getting this enacted.

I might say, for the record, that on next Tuesday at the National Conference of the Randolph-Sheppard Vendors of America, it is the pleasure of that organization to appear with Senator Randolph

at a special luncheon to express for the first time in a formal way their appreciation for all of the things he has done to make this opportunity possible.

With respect to S. 2461, I think the basic provisions have been well covered by other speakers. I do want to talk about several points and one that is very close to me, as a lawyer, is that matter of exclusive assignment of vending machine income.

The present provision of the law does not say "exclusive." We contend that it should because of the purpose of the act and the very valuable assistance that exclusive assignment would give, not only in supplementing inadequate income, but in providing nonappropriated money for State licensing agencies to expand the vending stand programs to the maximum potential which has been estimated here today to be more than twice what it is at this time.

That is going to take a lot of money and some of the States haven't appropriated as much money as they need. Some of them can't afford it. This would be a very, very valuable supplementing sort of income to the State licensees to help achieve this 7,500 potential which has been outlined here today.

With respect to the legal basis for assignment of this vending machine income for Federal employees for the device of an employee welfare committee or an employee welfare fund, I have been through some litigation on this very point and I am still in it in which I have thoroughly researched the law on this point and the Justice Department is not able to furnish any citation of any act of Congress which says that the administrative branch of Government could make any assignment of any of this money to any employee association whether employee welfare committee or otherwise.

As Mr. Schloss pointed out, the Comptroller General of the United States, on two occasions, has said that these funds, these are commissions on the operation of vending machines on Federal property.

They must either be devoted to the purposes of the Randolph-Sheppard Act or otherwise they must be miscellaneously received in the U.S. Treasury.

We are confronted with a very real and very serious competitive situation operating without benefit of an act of Congress, but I regret to say, with the benefit of certain regulations of certain departments of the administration and it is a de facto situation which also touches on the matter of judicial review because if we can't review these things that are done, then this de facto situation can go on forever even though it is against the law.

In fact, one Federal judge in one case said that the State licensing agency and the blind operator involved had no standard to challenge the assignment of vending machine income to employee associations even though it might be illegal.

So, if we can't get judicial review in this situation, in the absence of exclusive assignment, it would go on forever. One of the reasons that we don't have as many locations on some types of Federal property as we should is that this competition for the money.

If we could put to rest of who is going to get the money—is it going to the Randolph-Sheppard program—if we win that battle then you will find that there will be a great change in the attitude of adminis-

trative people about whether or not they are going to allow these concessions of Federal property.

I will say to you that, in my opinion, that the Defense Department is not going to change one iota until Congress compels them to change.

VENDING MACHINE BIDDING

I had an experience a number of years ago which I, as a lawyer, attempted to assist a nonprofit agency for the blind to bid, not to get exclusive right to, but to bid on vending concessions at Tinker Air Force Base in Oklahoma City.

On that Air Force base, in addition to a postal exchange, therewere five vending stand locations, none of them operated by blind persons.

The organization which I represented submitted a bid on those locations and we went out at the time the bids were opened—they were quite surprised to find that we had bid on the vending stands and not on the huge machine concessions on the whole base and the lieutenant colonel who was in cha[illegible]expressed surprise and they didn't make an award at that time.

In a few days we got a notice from the Air Force that all bids were rejected and a few weeks later we got an invitation to bid on vending stands and machines, all or none.

What they did was price us out of the market because there would be involved $100,000 in expenditures if we went into the machine business too. The result was that a private concern for profit got the contract. I can't tell you what the motives were behind that. I don't know.

I do know that they were determined that those vending concessions would not be operated by blind people.

I don't think the Defense Department is going to change until they have to.

With respect to the arbitration which has been talked about, the State licensing agencies agree that the arbitration procedure is desirable. If it costs a little money—and we don't think it would cost much; the price of justice never comes free—we think that this program, as well as any other, deserves the same remedial processes as any other and certainly the grievances that might be felt about Federal locations need some way to get at these issues other than just talking about it because we can't really expect one Federal agency to effectively compel another Federal agency to do what the law intended.

With respect to the Wagner-O'Day amendments, I regret to say that I must take a rather different position than some others who are here today.

I will tell you that 20 years ago I assisted others in organizing a nonprofit workshop for the blind which is now one of those 79 or 80 participating in Government contracts. I helped to wet-nurse that organization through its growing pains and it is now a well managed and modestly successful organization.

I speak with some knowledge about the hardships and practicalities of producing for the Government, particularly at the prices that the Government committee established.

In my statement, I set out the maximum figure that was ever spent by the Government for products which was 3 years ago and I figure it was $28 million.

Since that time it has steadily gone down so that, even though we recognize that there is a great need for the other handicapped shops, that this is not the source of a solution for their problem.

This is a modestly successful program. The addition of services would improve that some. But even there, the fluctuation of Government purchases would reflect the purchases of the province. So that in 32 years, the workshops for the blind are facing a declining market. The wishful hope that, somehow, here might be a source for employment for two times as many people still prevails and I know that the authors of this bill were quite sincere in it.

But I say this is, from having been directly committed to workshops for 20 years and knowing something about the difficult time they have of getting business, that this is not a solution.

This would create internal controversy within the program, competition for business. The Committee for the Purchase of Blind-Made Products would be the battleground. The fact that the bill itself provides for two or more central nonprofitmaking agencies to allocate the contracts would lead to the administrative confusion which might very well bring about a disenchantment by the procurement offices of the Government that would jeopardize the entire program.

RIGHTS AND BENEFITS

I hope I make a very strong point in my statement that handicapped workers in these workshops ought to have the same rights and benefits as workers in other industries. An efficiently managed workshop can afford those rights and benefits and these people certainly are entitled to no less than any other class of workers so that the act, a very simple act in the beginning, is still a very simple act as rewritten and needs many things done to it.

It is a problem area and, no matter how idealistic anybody may be about wishing that more handicapped people could be employed in this kind of endeavor, I think that the act, if adopted as written, would lead to hostility and, worse than that, disappointment, leaving those people who do need help—and I wish they could be helped in this way.

But we cannot afford to substitute fiction for fact. The arithmetic just isn't there. The jobs aren't there.

I had asked, on a number of occasions, where are the contracts coming from, for what products, for what service, that would employ twice as many? Nobody has answered that question yet and the reason is because they don't know.

I say that the reason is that we can expect a modest increase if we had services, but that is the most we can expect from this source.

Gentlemen, it is a pleasure to be here today. I think I have run over my 10 minutes, but perhaps not too much.

Senator RANDOLPH. Thank you. Mr. McDaniel.

There is one point in your testimony that I want to call particular attention to, that we may have your thinking.

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On page 5 of your statement you talk about the provisions of the amendment to the alteration or construction of Federal property and you say what we are trying to do with reference to those provisions is helpful.

What have you found to be the problems in connection with buildings? There may be others here who may want to supplement you with reference to the vending facilities being placed in certain locations or other types of problems that seem to occur.

Mr. McDANIEL. Quite often, in the renovation or new construction of buildings, no provision is made at all for an appropriate space for plumbing or wiring, all of which are essential to the operation of any vending stand or vending facilities.

Senator RANDOLPH. Do you still find a certain feeling among some individuals, I hope they are very few, who just think of placing that blind facility off in a corner, as it were?

Mr. McDANIEL. That happened in Oklahoma City in the post office where even the Post Office Department says its policy is to have a stand in the lobby. They put this fellow behind closed doors off of a side corridor so that the general public almost never finds him.

I had a letter from a fellow in Alabama the other day asking for my assistance that a postmaster said he didn't want a vending stand in his building at all.

Senator RANDOLPH. Was that person an employee of the General Services Administration or of the Post Office Department?

Mr. McDANIEL. Post Office Department. He was the postmaster.

Senator RANDOLPH. He was the postmaster?

Mr. McDANIEL. Yes.

Senator RANDOLPH. Where?

Mr. McDANIEL. The letter came from Birmingham. I don't recall the town where the post office was being constructed. I could furnish you the letter if you would like to have it.

Senator RANDOLPH. I want the members of the staff to follow through on this point, with your help.

Mr. McDANIEL. Of course, in the renovation of the building, unless they take into account perhaps a building where there hasn't been a building concession and unless they take into account the need for it, then if you get all the work done and the contract is finished and then the provisions have been made, then you do have extra expense.

These requirements would try to take care of those things in advance so that it doesn't inconvenience anybody.

Senator RANDOLPH. Thank you.

I asked to come into the hearing room Mr. J. B. Hewitt, who is the Assistant Chief Clerk of this Public Works Committee where we meet today.

He is especially active in the work of our public buildings and grounds effort. I think, Mr. Hewitt, that you would say that it has been the policy of the General Services Administration to cooperate in providing the space through planning and in construction that would facilitate the operation of a blind facility; is that correct?

Mr. HEWITT. Yes, sir; that is correct.

Senator RANDOLPH. He indicates that it is correct and if we find these rare instances, we want to do what we can to clarify the situation.

Mr. McDANIEL. That is particularly true of the General Services Administration; to a lesser degree with other parts of the Government.

Senator RANDOLPH. Now, the General Services Administration, in connection with the post office like we are discussing here today, is this a new post office?

Mr. MCDANIEL. I understand that it is.

Senator RANDOLPH. In Alabama?

Mr. MCDANIEL. I understand that it is. The General Services Administration has, by regulation, determined the Post Office Department to make its own regulations where it is the principal tenant of a building.

To that extent, the General Services Administration has delegated the rulemaking power.

POST OFFICE JURISDICTION

Senator RANDOLPH. Mr. Hewitt tells me that there—that if the space is more than 50 percent to be used by the Post Office Department, that it has the jurisdiction over these matters.

Mr. MCDANIEL. That is by delegation from GSA. Unless you put something into this new act——

Senator RANDOLPH. Do you think something should be considered in reference to this matter or is this the natural and best way to proceed?

Mr. MCDANIEL. I think that the intent of Congress would be better carried out if General Services Administration retained control, at least of the vending concession phase of it.

With respect to the Government witnesses who are advocating the General Services Administration formula on vending machine income, we would be very much opposed to that because if the Congress writes anything like that into the statute, then there would be a legal basis for paying this money to Federal employees.

We don't want to see anything get into the statute that would legalize what they are doing. If we could figure out a way to get the Comptroller General to enforce his decision, we would like to do that.

Senator RANDOLPH. We will check this matter out.

Mr. Hewitt, do you want to say something?

Mr. HEWITT. The only statement is, of course, the General Services Administration turns over all buildings for operation where the Post Office uses 50 percent or more of the space to the Post Office under the Postal Reorganization Bill.

Of course all of these buildings will be under the jurisdiction of the Post Office and they will have this right by legislation rather than by delegation of authority. In the future, you will have to deal with the Post Office Department because GSA will no longer be able to intercede in those offices——

Senator RANDOLPH. Are you speaking of the Postal Reform Bill?

Mr. HEWITT. Yes, sir.

Senator RANDOLPH. This is a matter I have never given thought to.

Mr. MCDANIEL. We are quite concerned about whether the Randolph-Sheppard Act is going to be followed at all by the Post Office Department after this legislation is passed.

In that section pertaining to applicable cause, the Randolph-Sheppard Act is not one of those cited. We are very concerned about whether or not we will have a program after the Post Office Department—after that becomes law.

Senator RANDOLPH. Thank you for bringing that to my attention even though I am a member of the Post Office and Civil Service Committee. I am a conferee on the legislation between the Senate and the House and we still have the opportunity to clarify this.

Mr. MCDANIEL. It would be very simply done by listing the Randolph-Sheppard Act as an applicable law. We would have a legal basis at least.

Senator RANDOLPH. Thank you, sir.

Mr. Hewitt thinks the operators and facilities under the Randolph-Sheppard Act would still be protected under the general provisions, Mr. McDaniel.

We are going to look into this matter very carefully.

Now, those that form the panel, will you come forward please?

STATEMENT OF JOSEPH KOHN, PRESIDENT, NATIONAL COUNCIL OF STATE AGENCIES FOR THE BLIND; ACCOMPANIED BY WILLIAM T. COPPAGE, PAST PRESIDENT, NATIONAL COUNCIL OF STATE AGENCIES FOR THE BLIND; BURT RISLEY, PRESIDENT-ELECT, NATIONAL COUNCIL OF STATE AGENCIES FOR THE BLIND; AND CHARLES W. HOEHNE, TEXAS STATE COMMISSION FOR BLIND

Senator RANDOLPH. Mr. Coppage, are you the anchor man? Will you identify each person at the beginning and make your statement, or is someone else to do that?

Mr. COPPAGE. I would like to ask Mr. Kohn to begin.

Senator RANDOLPH. I didn't have your statement, Mr. Kohn. You may proceed.

Mr. KOHN. I would like to express my appreciation for your invitation and the privilege to appear before you and offer testimony on behalf of S. 2461, the Randolph-Sheppard Act of 1970.

I am Joseph Kohn, director for the State Commission for the Blind in New Jersey. I am appearing today as president of the National Council for State Agencies for the Blind.

This is an organization representing all of the public agencies for the blind in the States of our Nation.

I am also authorized to speak for the Council of State Administrators of Vocational Rehabilitation. This council represents all public agencies at the State level concerned with the implementation of State laws designed to rehabilitate the handicapped, those suffering from all major handicapping conditions.

In connection with our official statement that you referred to, Mr. Risley, and our general counsel, Mr. Hoehne, have submitted a written statement for the national council.

I would like to take a few minutes for some oral comment, if I may.

Senator RANDOLPH. We are very pleased to have your testimony and the material from one or more persons and any backup material that you have will be made a part of the record.

Mr. KOHN. The expanded definition relating to Federal facilities properly reflects the expansion and changes in the Federal function through the years. However, the most important change in the Randolph-Sheppard Act is the inclusion of site selection and the

inclusion of vending machines in the defintion of a vending facility and the allocation of income from such machines exclusively to the blind operator.

Agencies seeking to rehabilitate blind people so they can care for themselves and have equal opportunity for self-support have an advocacy responsibility for blind people. It is too often easy for competing interests to turn aside from the needs of the blind individual or to ignore then..

As a result, vending stand programs are in jeopardy from interests that would keep vending stands out of Federal buildings and only vending machines in. Others would like to receive vending machine income for their own uses and not the blind operator.

In this connection I had the experience of negotiating for vending stand sites with the management of a new Federal building erected in one of the large cities in New Jersey. It had originally been mutually agreed with the management during the building construction period that there would be four vending stands in this skyscraper building. There seemed to be an adequate number of people there to warrant this.

When installation plans were presented by us, management had changed its mind and would approve only one vending stand but was willing to have some vending machines on other floors in the building.

We compromised on two, only after we had indicated that we were prepared to request a formal hearing on this.

In this situation, the building management did not contest machine income. They merely used the machines as a device for eliminating the stands and the opportunity they represent for a blind individual to earn his own way.

Mr. Chairman, I can assure you that visually handicapped persons want no sinecure or charity. They want to improve themselves. The amendments to the Randolph-Sheppard Act would safeguard and improve that opportunity.

Therefore, in behalf of the National Council for the State Agencies for the Blind, I urge a favorable judgment and approval of the amendments.

One comment about Mr. McDaniel's statement. We basically share with him some of his concerns for the matter of vending stand income. We do also support the exclusive placement of vending stand income for the blind operator.

Once again, my personal thanks to you and the committee.

(The prepared statement of Mr. Kohn follows:)

STATEMENT OF JOSEPH KOHN, EXECUTIVE DIRECTOR, NEW JERSEY STATE COMMISSION FOR THE BLIND AND PRESIDENT OF THE NATIONAL COUNCIL OF STATE AGENCIES FOR THE BLIND TO THE SPECIAL SUBCOMMITTEE ON THE HANDICAPPED, COMMITTEE ON LABOR AND PUBLIC WELFARE, UNITED STATES SENATE ON S. 2461.

Mr. Chairman and members of the Subcommittee, I should like to express my deep appreciation for your kind invitation and the privilege to appear before you and offer testimony in behalf of S. 2461 - the Randolph-Sheppard Act Amendments of 1970.

Permit me to identify myself I am Joseph Kohn, Director of the State Commission for the Blind in New Jersey. I am appearing today as President of the National Council of State Agencies for the Blind. This is an organization representing in substance all of the public agencies for the blind in the States of our Nation. I am, also, authorized by its Executive Committee to speak for the Council of State Administrators of Vocational Rehabilitation. This Council represents all public agencies dealing at the State level with the implementation of Federal and State laws designed to rehabilitate handicapped citizens - not only those suffering from serious vision handicaps but those suffering from other major disabling and handicapping conditions.

To conserve time I will not attempt to summarize and repeat the various specific elements of the Randolph-Sheppard Act that are being amended. These are well known and are detailed in several of the formal presentations forwarded to you.

The age and residence change makes the Act compatible with existing changes in other Federal legislation dealing with the rehabilitation and employment of blind people. The expanded definition relating to Federal facilities properly reflects the expansion and changes in Federal function.

The most important and the most helpful change in the Randolph-Sheppard Act is the inclusion of site selection and the inclusion of vending machines in the definition of a vending facility and the allocation of income from such machines to the blind operator.

Agencies seeking to rehabilitate blind people so that they can care for themselves and have equal opportunities for self-support have an advocacy responsibility for blind people. It is too often easy for competing interests to turn aside from the needs of the blind individual or to ignore them. As a result vending stand programs are in jeopardy from interests that would keep vending stands out of Federal buildings and only vending machines in. Others would like to receive vending machine income for their own uses and not for the blind operator.

In this connection, I had the experience of negotiating for vending stand sites with the management of a new Federal building erected in one of the larger cities of New Jersey just two years ago.

It had originally been mutually agreed that there would be four vending stands in this skyscraper building - roughly one on every fourth floor. When installation plans were presented management had changed its mind and would approve only one vending stand but was willing

to have some vending machines on the other floors. We finally compromised on two vending stand installations but only after we had indicated that we were prepared to request a formal hearing on this. In this situation, building management did not contest the machine income - they merely used machines as a device for eliminating vending stands and the opportunity they represent for a blind individual to earn his own way.

Mr. Chairman and members of the Subcommittee, I can assure you that visually handicapped individuals want no sinecure or charity. They want only the opportunity to prove themselves. The amendments to the Randolph-Sheppard Act now under consideration would safeguard and improve that opportunity.

Therefore, in behalf of the National Council of State Agencies for the Blind and the Council of State Administrators of Vocational Rehabilitation, I urge your favorable judgment and approval of the amendments.

Once again my personal thanks for the opportunity of appearing before you today and especially our appreciation to Senator Randolph for his leadership and long-time concern for blind people.

Joseph Kohn
1100 Raymond Boulevard
Newark, New Jersey 07102

Thursday, July 9, 1970

Mr. LAWLESS. I am George Lawless, a member of the staff. Senator Randolph was called out of the room for a moment.

Thank you very much for your remarks. We will proceed with Mr. Coppage's statement.

Mr. COPPAGE. It is indeed an honor for me to have the privilege of appearing before this distinguished committee today to offer testimony on behalf of S. 2461 and S. 3425. This proposed legislation will, if enacted, provide deserved benefits to blind and other handicapped American citizens.

We are grateful for your keen insight into the problems of this special segment of our population as demonstrated by your progressive legislative record.

Today I represent the State agency responsible for a comprehensive program of services for the blind and otherwise visually handicapped in Virginia. This agency is responsible for the administration of the Randolph Sheppard Vending Stand Act in the State and also operates two workshops for the blind which produce products for the Federal Government under the provisions contained in the Wagner-O'Day Act.

Also, as a member of the executive committee of the General Council of Workshops for the Blind, I am representing an organization of 79 workshops for the blind around the country. The membership of this council is on record as supporting the proposed amendments to the Wagner-O'Day Act contained in S. 3425.

Since enactment of the Randolph-Sheppard Vending Stand Act for the Blind in 1936, thousands of blind people have been enabled to lead productive and self-supporting lives because they have had an opportunity to be regularly employed as vending stand operators.

Throughout our State today, these businessmen and women are employed not only in Federal buildings but State and local governmental facilities as well. Many are even providing food services for employees in industrial and private business locations thanks to the impetus initially provided by programs which were established as a result of the Randolph-Sheppard Act.

INCREASE IN EMPLOYMENT

I shall refrain from presenting to you a section by section analysis of these amendments since this has already been done. I would hasten to add, however, that members of the organizations represented by me have thoroughly reviewed these legislative proposals and indicate their complete endorsement of them. We are all aware of and welcome the increased employment opportunities which would result.

Also, I am grateful for the opportunity to appear before you for the purpose of endorsing on behalf of those I represent S. 3425, a bill to amend the Wagner-O'Day Act.

This proposed legislation would also enhance employment opportunities for blind persons and provide a number of new jobs for many who are now unemployed.

In addition, it would make it possible for other severely handicapped persons employed in workshops to participate in the program of sales to Federal agencies. We are very gratified that, under this bill, it would

become possible for disabled workers employed in these workshops to provide services as well as products procured by the Federal Government.

In my present job, I am in a position to observe daily the quality workmanship which blind workers consistently perform in our workshops and the outstandingly high rate of acceptance these products receive by Government inspectors. There could be no question but that expansion and extension of this program can be mutually beneficial to both disabled workers and Federal agencies.

In closing, Mr. Chairman, I would urge that you and the members of this committee give favorable consideration to recommending the enactment of both S. 2461 and S. 3425.

The programs represented by these bills have demonstrated for more than 30 years that blind people welcome an opportunity to work. They have shown that when given this opportunity they can contribute to our Nation's economy on equal footing with their sighted neighbors.

The amendments which you are considering today would make it possible for these two specific programs to be operated more effectively in terms of conditions which exist in the 1970's as compared with much different circumstances of the 1930's when these laws were first enacted.

Earlier, Senator Randolph asked the question about the number of personnel stationed at Fort Belvoir.

Since that question was asked, I have been given information to the effect that there are approximately 50,000 persons employed on this military installation.

Mr. Kohn and Mr. Risley and I represent three State directors from around the country who are responsible for these programs and we would welcome any specific questions which you may see fit to ask us with regard to the day-to-day operation of the vending stand programs.

Thank you very much.

Senator RANDOLPH. One point that I think we might be helped in finding the answer to. Let's use the rough figure that there are less than 10,000 persons who are participating in the Randolph-Sheppard program and the Wagner-O'Day program in the United States. Is this a correct figure?

Mr. COPPAGE. Yes.

Senator RANDOLPH. That would be an approximation?

Mr. KOHN. Yes.

Senator RANDOLPH. Dr. MacFarland.

Dr. MACFARLAND. Less than 9,000, Senator.

Senator RANDOLPH. Thank you very much.

What is the potential for employment in, let's say, both programs lumped together?

Mr. COPPAGE. I believe earlier Dr. MacFarland indicated that a study by a management consultant firm estimated that the potential was 7,500 in the vending stand program alone by 1976.

In the workshop area Dr. MacFarland may have some figures more recent than mine.

Senator RANDOLPH. Could you add, Dr. MacFarland, to the estimate on the Randolph-Sheppard program the increase that might be a potential on the Wagner-O'Day program?

Dr. MACFARLAND. It has been estimated that approximately 15,000 people can be employed, could be accommodated, with the increases in the Wagner-O'Day Act as now encompassed in the amendments. I think perhaps it could go higher than that.

Senator RANDOLPH. That is on the Wagner-O'Day?

Dr. MACFARLAND. Yes, and then you would add 7,500.

Senator RANDOLPH. You would say 22,000 or 23,000?

Dr. MACFARLAND. Yes, sir.

Senator RANDOLPH. And we have approximately 9,000 today. So, it would be reasonable to expect that the number of individuals could be increased by 100 percent; is that correct?

Dr. MACFARLAND. Yes, sir.

Senator RANDOLPH. This is encouraging and it is not just a hope that this can be done; it is a goal which I know all of us can work for, Mr. Kohn, Mr. Coppage, and others who have testified here today.

Now, the next witness is Mr. Risley.

Mr. RISLEY. I am Burt Risley, Executive Secretary of the State Commission for the Blind of Texas and, with me is Charles W. Hoehne of the State Commission for the Blind of Texas.

Senator RANDOLPH. I am happy to have both you and Mr. Risley.

Mr. RISLEY. It is indeed a pleasure for me to appear on this panel with my colleagues to speak in behalf of the amendments provided for by S. 2461 and S. 3425.

I did submit a prepared statement of which you have received copies. I feel that some of the remarks that I made in the prepared statement are of the significance that they should be repeated here because I feel that they are relevant to the subject at hand and I would like to use my portion of time in having a portion of this statement read, if I may.

Senator RANDOLPH. That would be agreeable.

Mr. HOEHNE. A generation has passed since Congress first enacted the Randolph-Sheppard Act and many changes have since ensued. In order for continued effect to be given fully to the congressional intent manifested in the Randolph-Sheppard Act, it is urgent that S. 2461 be enacted.

Basically, there are three factors which account for most of the problems now being experienced by those of us who are involved in the administration or operation of the Randolph-Sheppard program.

TECHNOLOGICAL CHANGES

First of all, we have witnessed profound technological changes since 1936. These technological changes relate to the types of products and services sold by blind persons, as well as to the methods by which such products and services may be sold. The changes experienced in marketing since 1936 compare in scope to those experienced in communications and in transportation during the same period of time.

Second, the Federal Government has undergone unprecedented growth since 1936. This growth has been accompanied by the organization of Federal employees' welfare unions. In recent years, these welfare unions have become increasingly aggressive.

Third, most State licensing agencies are also involved in the administration of other federally supported rehabilitative programs for the blind. Statutes applicable to the other programs, including particularly the State-Federal vocational rehabilitation program, necessarily have great and immediate impact upon the Randolph-Sheppard program. Recent amendments to statutes authorizing related programs have given rise to technical inconsistencies between such legislation and the Randolph-Sheppard Act.

While all of the foregoing are of concern to blind persons and to their State licensing agencies, it is the continuing problem of dealing with Federal welfare unions that at the present time most greatly undermines the efficient and orderly operation of this program. It is this particular problem that serves to defeat the legislative policy originally stated by Congress with great clarity, precision, and plainness. It is because of this problem that other, less substantial, problems arising in the course of this program's administration and operation become unnecessarily complicated and unduly cumbersome.

In originally passing the Randolph-Sheppard Act, Congress clearly intended that blind persons were to be given a preference to operate vending facilities on Federal property. The language of the statute is clear, simple, and straightforward. In all too many instances, however, the efforts of welfare unions to avoid the effect of the statute are ingenious, strained, and sophistic—but effective.

In dealing with Federal employees' welfare unions, State licensing agencies encounter two basic, recurrent problems. Frequently, attempts are made to forestall the installation of blind-operated facilities in the first instance. Or, once the vending facility is installed, the blind operator may be presented with direct, substantial, and unreasonable competition from vending machines sponsored by the local welfare union.

DISPUTES ARE COSTLY

Disputes of this type are most unfortunate. Such disputes obviously are inconsistent with the broad, established policy of the Federal Government with regard to the employment of handicapped persons. Above all, however, such disputes are costly.

To cite one specific example, the Texas Commission for the Blind became involved in one such controversy 3 or 4 years ago with a Federal agency upon which heavy pressure had been exerted by officers of the local welfare union. The dispute related to the division of proceeds from vending machines in competition with a blind-operated vending facility, and pending settlement of the dispute, the vending machine proceeds were simply placed in escrow.

Almost a year passed before settlement was finally achieved. During that period, staff time, travel cost, and communication expenses consumed by the dispute amounted to thousands of dollars from the Commission's budget.

Undoubtedly, similar amounts were expended on the dispute by the Federal agency. Since the Commission derives the greatest part of its financial support from Federal funds, the Federal Government was, in effect, underwriting most of the administrative cost of this particular controversy.

When settlement was finally achieved, the representatives of the local welfare union learned that anticipated revenues from vending machines were considerably less than had been projected, largely because rank-and-file Federal employees preferred the blind-operated vending facility to vending machines. The vending machine proceeds in controversy amounted to only a few hundred dollars at the end of the year—or, calculated another way, only a few cents each month per Federal employee working in the building.

I might add, parenthetically, that the vending machine company has since found it necessary to remove most of its machines from this particular building and that blind-operated vending facilities in this building presently are affording gainful employment to six handicapped persons.

Mr. Chairman, I want to make it clear that I most certainly am not indulging in wholesale criticism of Federal employees. Such criticism is not my intention and such criticism would be inappropriate. Blind persons who operate vending facilities on Federal properties find the overwhelming majority of Federal employees to be courteous, understanding, and enlightened.

They find that the great majority of the Federal employees they serve are much too concerned with their work and entirely too dedicated to the mission and objectives of their respective agencies to have time to quibble over 3 or 4 cents per month which might, in theory, accrue to each Federal employee if blind-operated vending facilities were to be supplanted by vending machines.

Most emphatically, the National Council of State Agencies for the Blind appreciates the excellent cooperation and support given blind operators of vending facilities by most Federal employees.

Given the commendable attitudes of most Federal workers, it seems most anomalous that State licensing agencies should continue to have difficulties with Federal welfare unions.

Perhaps if Federal agencies required welfare unions to make detailed accountings to some central agency, such as the Bureau of the Budget or the General Accounting Office, of the uses made of these vending machine revenues, some light might be shed upon this anomalous situation.

NO ACCOUNTING REQUIRED

Presently, however, no such accounting is required. Members of the national council have attempted, quite vainly, to determine precisely how such money is used by welfare unions.

I do not suggest that such funds are misused. From time to time I have been advised of various uses to which such funds have been placed. These uses include such salutary projects as barbecues, beer parties, "family nights" at which $4 steak dinners are served for $0.99, and scholarships to children of union officials and, possibly, union members.

Senator RANDOLPH. Do, you say, Mr. Risley, that there seems to be no accounting procedure?

Mr. RISLEY. No, sir; none whatsoever.

Mr. HOEHNE. The information was obtained from conversations with Federal welfare employee officials.

Senator RANDOLPH. Do you have knowledge, personal knowledge, Mr. Risley, of such conditions in Texas?

Mr. RISLEY. Yes, sir.

Senator RANDOLPH. And in other States?

Mr. RISLEY. Not in other States, but in Texas.

Senator RANDOLPH. We will want to go into this matter thoroughly because it is an important item. It is not just a small matter, Mr. Risley, and your suggestion is that there be some central agency within the Federal structure that could be used; is that correct? Do you think this might be a way?

Mr. RISLEY. Yes, sir.

Senator RANDOLPH. Rather than have the overall direction, say, guidelines set down?

Mr. HOEHNE. Independent accounting by impartial agencies could be most helpful.

Senator RANDOLPH. Now, these welfare unions that you speak of, they are not a part, as I understand it, of what we would call the unions that we think of as postal unions or as unions for classified civil service workers; am I correct in that matter?

Mr. HOEHNE. We are not advised about the specific legal basis of such organizations. Apparently, they are usually more in the nature of informal welfare associations.

Senator RANDOLPH. Are they more at the local levels?

Mr. HOEHNE. Yes. Local to a building, would be our impression.

Senator RANDOLPH. I see. I will take occasion to check through our Post Office and Civil Service Committee on National Unions to see if they have any knowledge of these matters. It might help us.

It is an area which there is some difficulty in proceeding. We want to be careful not to become straitjacketed. There must be some leeway; perhaps you understand that. There should be no misuse of the funds. Steaks come high in Texas; is that right?

Mr. RISLEY. Very high.

Senator RANDOLPH. Continue.

Mr. HOEHNE. Mr. Chairman, I will readily stipulate that such activities undoubtedly contribute to the morale of at least certain Federal employees. I will further concede that the morale and welfare of Federal employees is a most legitimate concern of Congress and of this subcommittee.

At the same time, however, I would very vigorously assert that Congress, through its appropriations for salary increases and various fringe benefits, has already done much to improve the morale and to secure the welfare of those persons who are employed by the Federal Government.

I would further point out, respectfully, that blind operators of vending facilities on Federal properties tend, on an average, to earn less than many of the Federal employees whom they serve, and that these blind persons have no paid vacations, that they have no sick leave benefits, that most of them work in excess of 40 hours per week, and that these blind men and women have no retirement programs nor any paid group insurance programs.

To me, the issue seems entirely clear. The basic is one of balancing equities, and that is precisely what S. 2461 attempts to do.

The demand by Federal welfare unions for a share of the economic opportunity Congress intended to vest exclusively in the blind is presently without precedent in State government, in other governmental subdivisions, or in private industry.

Hopefully, most leaders of labor unions operating in industrial locations served by blind operators of vending stands would be embarrassed to assert such petty demands. In this connection, however, it should be noted that the Randolph-Sheppard Act does, in fact, serve as a model for the rest of the country.

That is why enactment of S. 2461 presently is a matter of such urgency.

For State licensing agencies, S. 2461 will simply extend to Federal installations the substantive methods of program operation now used with regard to vending facilities located in State and municipal buildings or in locations provided by private industry.

S. 2461 provides for no radical change or modification of the existing Randolph-Sheppard program. As mentioned, there have been a variety of technological and legislative developments subsequent to the enactment of this statute in 1936, and many of the provisions of S. 2461 simply update the act to accommodate such changes and to eliminate provisions which have become archaic over the years.

Although S. 2461 will harm no person who might be employed by the Federal Government, the bill would be of immense benefit to thousands of visually disabled persons, both to those who are presently operating vending stands and to those who will be operating these facilities in the future.

The bill before this subcommittee contains no new expression of congressional intent. S. 2461 simply requires that all concerned parties exercise more good faith in giving fuller effect to the intention declared by Congress 34 years ago.

The proposal would not preclude all future disputes between State licensing agencies and Federal agencies who might find the demands of local welfare groups to be meritorious, but the bill would provide an effective, viable mechanism for the fair, impartial, and more efficient resolution of such disputes.

The National Council of State Agencies for the Blind is proud to join with other organizations and agencies in commending S. 2461 to you.

Mr. Chairman, we thank you for this opportunity to testify in behalf of this proposal, and we urge favorable consideration and prompt enactment.

Senator RANDOLPH. Thank you very much, Mr. Risley and Mr. Hoeane.

You have heard a bell ring and that is the bell that makes it necessary for me to go to the Senate floor and vote on a roll call.

So, we will have to close the hearing and I believe we have come to the end of the witnesses and the statements.

We may ask, by correspondence, for further clarification. I know we will have the cooperation of all those present here today.

(The material received follows:)

COMMONWEALTH OF VIRGINIA,
VIRGINIA COMMISSION FOR THE VISUALLY HANDICAPPED,
Richmond, Va., July 15, 1970.

Re S. 2461.

Hon. JENNINGS RANDOLPH,
The U.S. Senate,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR RANDOLPH: It was a pleasure to have the opportunity last week of testifying before your committee on 1970 amendments to the Randolph-Sheppard Act. You were indeed generous with your time and understanding of the need for amendments.

I wish to take advantage of your invitation to present additional suggestions with respect to these amendments. Virginia's vending stand operators at their annual meeting passed a resolution (copy enclosed) asking that the Act be modified in order that set aside funds may be used by the State agency to provide fringe benefits such as paid retirement and leave benefits for operators. I agree that this would be a worthwhile purpose and am, therefore, suggesting that the following change be made in S. 2461. On Page 5A, preceding Line 7, add the following:

"Section 9. Section 3(3) of such Act of June 20, 1936 (20 U.S.C. 107b), is amended by (1) striking out "and" immediately preceding "(D)" and (2) inserting immediately before the colon preceding "*Provided*," the following: "; and (E) providing operators of vending facilities retirement benefits and benefits while they are on appropriately granted leave from such vending facilities by the State licensing agency."

I believe that Doctor Newman of the Department of Health, Education and Welfare suggested similar changes in his presentation last week.

Your consideration of this modification in the Act will be very much appreciated.

Sincerely,

WILLIAM T. COPPAGE, *Director.*

Enclosure.

MAY 26, 1970.

Mr. WILLIAM T. COPPAGE,
Director, Virginia Commission for the Visually Handicapped,
Richmond, Va.

DEAR MR. COPPAGE: The vending stand operators at their annual meeting on May 23, 1970, unanimously requested Business Opportunities for the Blind, Inc. and the Virginia Commission for the Visually Handicapped to seek ways and means through Federal Legislation whereby a retirement and leave plan could be established using Set-A-Side monies to pay the cost, or part of the cost. The present law does not permit the use of Set-A-Side monies for these programs.

I feel there is a great need in our state for some form of retirement and leave plan for our vending stand operators and certainly hope you will use your influence on behalf of this request.

Sincerely,

HUGH A. SCOTT,
Vice President, Business Opportunities for the Blind.

BUSINESS OPPORTUNITIES FOR THE BLIND, INC.,
Richmond, Va.

We, The Virginia Vending Stand Operators, assembled in Richmond, Virginia, on Saturday, May 23, 1970, unanimously request Business Opportunities for the Blind, Inc. and The Virginia Commission for the Visually Handicapped to seek ways and means through Federal Legislation whereby a retirement and leave program could be set up using Set-A-Side monies since the present law does not permit the use of Set-A-Side monies for these purposes. We feel this would be an excellent addition as there is a great need for a retirement and leave program.

Senator RANDOLPH. Thank you very much for your fine presentation. We thank all the witnesses who appeared and appreciate their contribution to this legislation.

We will recess until tomorrow at 10 a.m.

(Whereupon, at 12:20 p.m. the subcommittee recessed to reconvene at 10 a.m., Friday, July 10, 1970.)

48-211 O—70——5

HANDICAPPED WORKERS LEGISLATION, 1970

FRIDAY, JULY 10, 1970

U.S. SENATE,
SPECIAL SUBCOMMITTEE ON HANDICAPPED WORKERS OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room 4200, New Senate Office Building, Senator Jennings Randolph (chairman of the subcommittee) presiding.

Senator RANDOLPH. A pleasant morning, ladies and gentlemen. Many of you were our guests yesterday for the testimony which we believe was significant and informative and, in a sense, very challenging to the members of the special subcommittee.

We shall develop better programs under the two acts that we are considering from the standpoint of amending them.

Our first witness today is Mr. L. F. Donahue.

Would you come forward, Mr. Donahue, please, with your associate identify yourself for the subcommittee, and give us the facts. And then, of course, give us the inspiration.

STATEMENT OF LEE F. DONAHUE, EXECUTIVE SECRETARY OF THE COMMITTEE ON BLIND-MADE PRODUCTS; ACCOMPANIED BY HART MANKIN, COUNSEL FOR THE COMMITTEE ON BLIND-MADE PRODUCTS

Mr. DONAHUE. I am Lee Donahue, the executive secretary of the Committee on Blind-Made Products. I am accompanied this morning by Hart Mankin, who is counsel for the committee.

Mr. Abersfeller, the chairman of the committee, was unexpectedly and unfortunately called out of town. Because of his intense interest in this program, he is especially chagrined he could not be here. In his absence and with your permission, Mr. Chairman, I would like to read the statement which he would have made.

Senator RANDOLPH. May I ask, Mr. Donahue, what would be the length of the statement, approximately?

Mr. DONAHUE. Five minutes.

Senator RANDOLPH. Thank you.

Mr. DONAHUE. "Mr. Chairman and members of the subcommittee:

"I am Heinz A. Abersfeller, chairman of the Committee on Purchases of Blind-Made Products. I occupy this position as an additional duty to my full-time position as Commissioner of the Federal Supply Service of the General Services Administration. In common with all other members of the committee, I am a member by virtue of designation by the head of the parent agency, in my case Mr. Robert L. Kunzig, the Administrator.

"I wish to express my appreciation and that of the committee members for this opportunity to appear before your subcommittee and state our position with respect to the proposed legislation, S. 3425.

"Since the enactment of the June 25, 1938 statute (52 Stat. 1196, 41 U.S.C. 46–48), this program has grown to the point that in fiscal year 1969, the 78 workshops for the blind affiliated with the program sold approximately $23 million worth of goods to the Federal Government. These sales were distributed among 435 different line items, ranging from mops and brooms through pillowcases, bedsprings and mattresses, military neckties, ballpoint pens, to barrack bags and Navy signal flags.

"The 4,500 blind people were provided gainful employment, at an average hourly wage of $1.67. To understand these statistics, one really needs to visit the workshops, talk with the blind workers, and observe their ability and frame of mind to realize that this program is meaningful far beyond these statistics. The happiness and sense of self-sufficiency and fulfillment which the program has brought to these individuals is remarkable.

"At the outset of the program, the National Industries for the Blind, a nonprofit agency established to assist the blind, was designated by the Committee on Purchases of Blind-Made Products to assist in the discharge of its obligations and to perform many of the tasks necessary to the administration of the act. The remaining staff work of the committee has been performed as an additional duty by various members of the staffs of the agencies represented on the committee.

BLIND-MADE PRODUCTS DIVERSIFY

"During the early years of the program, the normal growing pains resulted in the development of policies and practices which were appropriate and necessary to the new program. During the most recent years, there has been a substantial growth in the number, complexity, and value of the items supplied by the workshops. This growth has posed new and different kinds of administrative situations and problems with which we have learned to cope.

"This experience over an extended period of time and under changing circumstances leads the committee to believe that extension of the program to include other severely handicapped people would rest on a foundation of solid administrative experience and that such an extension can be successful.

"It appears to the committete that with appropriate cooperation by workshops, and with a judicious selection of one or more nonprofit agencies to represent and coordinate these workshops, the program can incorporate many items used by the Government, which cannot be made successfully and economically by the blind but which could well be supplied by workshops employing individuals with other severe handicaps."

Senator RANDOLPH. I am not breaking the continuity of the statement you are reading. But have you indicated that this is in any degree a hydra-headed program within the Government in reference to the programs that you are discussing?

Mr. DONAHUE. A hydra-headed program?

Senator RANDOLPH. Yes, overlapping.

Mr. DONAHUE. No, sir; I am not intending to, no, sir.

Senator RANDOLPH. I have heard perhaps wrong. I thought you were saying that we needed to have greater coordination.

Mr. DONAHUE. No; I said with the appropriate arrangements for coordinating the several types of handicaps, if they were represented by different nonprofit organizations, which would be the committee's task, that the program proposed by this legislation could be successful. The committee hasn't any problems with such a situation.

Senator RANDOLPH. Thank you, sir.

Mr. DONAHUE. "The committee visualizes an extension of the numbers of items, dollar values, and the number of handicapped employed, considerably beyond present levels.

"The committee recommends some minor changes in the language of the proposed legislation which are of a technical nature. They are intended to clarify language which experience has shown to be subject to varied interpretation, or to make other changes which the passage of time and experience in administering the original legislation have shown to be appropriate. Specifically, they are as follows:

"—Section 2, lines 16 and 17, page 2; in section 3, line 16, page 3; and in line 4, page 4: Delete the words 'brooms and mops and other.' The nature and variety of commodities which have proven suitable for manufacture by the blind has grown to the point that the committee feels the language suggested for deletion has unnecessarily restrictive connotations.

"—Section 3, line 18, page 3: Delete the word 'Federal.' The word recommended for deletion has today a narrow technical meaning in this context, which might prevent the use of military specifications and many other established specifications which are wholly suitable for use in Government procurement.

"—Section 3, lines 4, 5, and 6, page 4: Delete the language '* * * or in cases where brooms and mops and other suitable commodities and services are procured for use outside any State.' This language was in the original legislation to avoid the necessity for Department of State activities overseas to procure material in small quantities from workshops for the blind in the continental United States when acceptable items were available locally. It was not intended to prevent activities overseas from procuring items from workshops if desirable, but has been so interpreted.

"In recent years the GSA and DSA have developed substantial overseas supply-support programs as part of their overall supply support to Federal agencies. It is wholly impracticable for these large wholesale supply systems to segregate items as to overseas or domestic use.

"On the other hand, administrative regulations of these agencies safeguard the use of blind-made items where feasible, but do not impose unreasonable conditions on overseas agencies with small requirements.

"It is essential that the legislation clearly permit the use of products of the handicapped overseas whenever it is feasible and economical to do so.

"—Section 2, lines 4, 5, and 6, page 3: Delete the language '* * * provided that no change in price shall become effective prior to the expiration of 15 days from the date on which such change is made by the committee.' This language seems to serve no useful purpose. Rather,

sometimes it imposes unnecessary hardships on the workshops or on the Government when production and deliveries must continue under an old and no longer proper price.

"The administrative work of the committee has always been largely accomplished by the National Industries for the Blind—the nonprofit agency designated by the committee under the original legislation. However, some matters of administration, such as the evaluation of price changes proposed by NIB, general surveillance of NIB's performance in discharging committee obligations under the act, and liaison and coordination between NIB and the Government agencies involved in the program, can only be performed by a staff responsible to the committee. Thus far, this has been done by employees of agencies represented on the committee on a part-time donation basis. The workload has already increased to the point that adequate staff support on this basis is hardly feasible.

FULL-TIME STAFF NEEDED

"The proposed legislation would substantially increase the number of supply items, and the number of shops and other nonprofit agencies involved, to the point that it is imperative that the committee be supported by such full-time staff as is required for the proper discharge of its responsibilities. Consequently, the committee asks that appropriate staff be authorized.

"The present practice of GSA under which various Presidential Commissions are supported appears to be an appropriate means in this instance. Therefore, the committee recommends that the following language be added to the bill:

" 'Section —. The General Services Administration shall provide administrative service for the committee on a reimbursable basis.'

" 'Section —. There are hereby authorized to be appropriated to the committee such sums as may be necessary to carry out the provisions of this act.'

"In conclusion, I would like to state that the committee believes that the proposed legislation will expand for the Government a presently more than satisfactory source of supply for many items. Of equal importance, it will provide a source of income, independence, and self-satisfaction to many people whose serious handicaps are presently an obstacle to the achievement of a full life."

Thank you.

Senator RANDOLPH. Thank you, Mr. Donahue.

In your statement, which is a very helpful document for consideration of possible amendments of legislation now pending, you are discussing the deletion of language. And you say:

"This language was in the original legislation to avoid the necessity for Department of State activities overseas to procure material in small quantities from workshops for the blind in the continental United States when acceptable items were available locally."

Now I think there is a very substantial amount, possibly a tremendous amount, of military aid that is shipped to foreign countries, Mr. Donahue.

What percentage of these products have been supplies that were manufactured or processed by the blind?

Mr. DONAHUE. I certainly can't answer that question at this point, Mr. Chairman. If I may, I would like to attempt to obtain an answer for the record.

I say "attempt" advisedly, because I am not at all sure that either GSA or DSA, who account for the bulk of these shipments, will be able to segregate blind-made items and give you a factual answer. We can make an estimate for certain ones.

Senator RANDOLPH. I think it is an important matter for us to have for the record. You have raised it by indirection.

(The information subsequently supplied follows:)

COMMITTEE ON PURCHASE OF BLIND-MADE PRODUCTS,
Washington, D.C., July 28, 1970.

Hon. JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RANDOLPH: In the hearing on S3425 on July 10, 1970, you requested information for the record as to the amount of blind-made products shipped overseas.

After consulting with officials in both the Defense Supply Agency and the General Services Administration, I find that these agencies do not have records of the amount of blind-made products shipped overseas, nor do they have information on which any meaningful estimate might be based.

I regret that we are unable to be responsive to your request at this time.

Sincerely,

L. F. DONAHUE, *Executive Secretary.*

Senator RANDOLPH. Mr. Donahue in your prepared statement, you indicate the value of the products to the Federal Government. It is a very considerable amount of money. You have the categories of "435."

We would think of those as more or less the items that are not, let's say, intricate of construction or basic materials.

Are there items that are being manufactured or processed that are more, well, perhaps intricate in design and complex than brooms or such? Can you tell us?

Mr. DONAHUE. One item the workshops are making now is ballpoint pens, which are composed of some 15 or 20 different pieces. They manufacture practically all of them. They assemble them completely, package them, and so forth. And there are other new items under consideration and apparently within the abilities of the blind which are of a comparable nature.

It appears to the committee that advancing technology may help rather than hinder the blind in making other and more complicated things. There are others here, Senator Randolph, who are much more competent than I to expand on their abilities.

But from my visits to the workshops, it is my personal opinion that there are not many limitations on what blind people can do, given proper tools and jigs and that sort of thing.

Senator RANDOLPH. I will reinforce what you said.

I think the skills are there if we have the development of those skills. The sophistication of the blind worker is well known, and it is constanty being improved.

I wanted the record to indicate that there were items rather than what we think of as brooms and so forth that are in production that can be made with the workmanship and the craftsmanship of the blind.

Do you have something that you want to add?

Mr. MANKIN. No. Thank you, Mr. Chairman. Thank you for your attention to Mr. Donahue's statement for Mr. Abersfeller.

Senator RANDOLPH. Thank you very much.

We give Mr. Abersfeller our thanks also for his attention to these hearings.

Mr. Russell, will you come forward please.

STATEMENT OF HAROLD RUSSELL, CHAIRMAN, THE PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED; ACCOMPANIED BY MISS JANET HAUSE, STAFF ASSOCIATE ON WORKSHOPS, AND WILLIAM McCAHILL, EXECUTIVE DIRECTOR

Mr. RUSSELL. I am Harold Russell, chairman of the President's Committee on Employment of the Handicapped.

For the record, I have with me Miss Janet Hause, who is our expert on workshops, and Mr. William McCahill, our executive director.

I might add that Mr. McCahill has been on active duty with the U.S. Marines and he is just finishing up his duty.

Senator RANDOLPH. Yes, he looks well.

Mr. RUSSELL. Yes, for a Marine he looks very well.

Senator RANDOLPH. Before you begin, Harold, I wish to make a personal comment which will become a part of this official record. That is that the continued effort in a very constructive way on so many fronts that you give to the program of aid to the handicapped is of real value. And throughout this country there are so many persons who will not be able to tell you that. I speak in a sense for them today.

Continue the good work. You have been a magnificent leader in this field.

Mr. RUSSELL. Thank you very much. I deeply appreciate that.

I might say it is only because of the wonderful dedicated people who work with us.

Mr. Chairman, I will be brief and will submit a full statement to the chairman.

(The prepared statement of Mr. Russell follows:)

Statement of Harold Russell, Chairman,
The President's Committee on Employment of the Handicapped
To
The Special Subcommittee on the Handicapped
of the Committee on Labor and Public Welfare

Mr. Chairman and members of the Subcommittee.

It is an honor to be invited to testify before you today on a subject of great concern to me -- the well-being and independence of the handicapped. The amendments you are considering to the Wagner-O'Day and the Randolph-Sheppard Acts would help immeasurably in building the well-being and building the independence of the handicapped.

In all of our great national concern with the "disadvantaged," I keep thinking that there is one group of "disadvantaged" people who haven't really shared fully in the total all-out emphasis of the past few years. I have in mind people disadvantaged by their handicaps, physical or mental. I have in mind people kept out of the mainstream by their disabilities. I have in mind people in need of special training and rehabilitation, in need of special facilities for daily living, in need of work conditioning -- in short, in need of the services they could receive in sheltered workshops.

These two bills, then, would serve to bring new opportunities to those disadvantaged people who are our prime concern, the handicapped.

For a long time the President's Committee has been actively working in behalf of America's sheltered workshops.

We are not exactly newcomers to the field. For years we have been actively engaged in upgrading the services and the economic health of America's

workshops. We have arranged for Government agencies -- the Department of Defense and the General Services Administration -- to remind prime contractors to try to give subcontracts to workshops whenever possible. We have established the first comprehensive mailing list of workshops in the United States, to send them frequent mailings that might help their operations -- on contracting, on administration, on job placement, on public relations, on their many other areas of interest. We have featured discussions of the problems of sheltered workshops at our Annual Meetings in Washington. We are in the process of organizing a Standing Committee on Sheltered Workshops, to help us do an even more effective job in this vital area.

Why this interest of the President's Committee? I can tell you best with some facts and figures.

Item: There are about 1,500 workshops in the United States. They serve approximately 65,000 handicapped individuals daily.

Item: The number of handicapped people is increasing faster than new workshops can be established or existing ones expanded to prepare them for competitive employment. According to the Rehabilitation Services Administration, 3 million people could benefit if greater workshop services were available. But, these services are not available. Daily the squeeze increases with more and more disabled people waiting out their lives on the front porches and in the back rooms of their homes or institutions.

Item: For the past year, the Department of Health, Education, and Welfare has conducted a promotion campaign, known as HELP, to reach out to these people who are not being served. Of course this program has succeeded, it has brought in new people, built up their hopes... 60,000 wrote in to HEW last year alone. But, where can one turn to find services to vocationally equip unskilled, undereducated, inexperienced, disabled people? Workshops provide the best answer. But, there is an inadequate number of workshops, insufficient work in most workshops, and limitations on those who may operate vending stands in government or any other buildings.

Item: The yearly discharge rate of Vietnam veterans has been going up. More than 120,000 Vietnam veterans now are drawing compensation for service-connected disabilities -- which means they are eligible for education and training from the VA. But only one out of five has taken advantage of the program. Where are the rest? Probably in marginal jobs, barely eking out a living.

A closer look at the numbers discloses something disturbing, according to the President's Committee on Vietnam Veterans. The veterans with the least education at the time they entered service, the veterans with dead-end jobs, the veterans with bleakest outlooks -- these veterans who could benefit most from workshop experience and vending stand independence are the ones who have been getting the least.

Item: I've traveled in almost every State. I've visited workshops that people proudly show me. And, each time, I've noticed three things:

1. Workshop directors mostly talk about what they could do for the handicapped if they had more subcontracts.

2. The staffs are high on inspiration, the deep desire and dedication to help the handicapped, but they're low on practical, business-industrial know-how.

3. The number of persons placed in competitive employment is usually quite low, particularly for the severely disabled, such as the blind, epileptics, retardates, people with cerebral palsy and the like, in comparison to the total number served annually.

In short, the workshops, as well as the severely disabled, need help if they and the nation are to benefit from the many talents available in all handicapped groups. One of the least expensive forms of help is the legislation you're considering today.

Item: I have also visited government buildings all over this country. Each time I've bought a package of gum or a cup of coffee, I've wondered why aren't there more vending stands open to the blind in government as well as non-government office buildings? Surely, the blind have proved themselves in this field -- but why shouldn't it be a bigger field with greater opportunities?

What does all this add up to? It adds up to these very bills we are talking about today. These bills hold the solution not only to the health of workshops and of vending stands, but to their very existence in an economy increasingly more competitive.

These amendments are particularly timely because they are not additional welfare programs. Rather, they provide opportunities for all disability groups to help themselves to self-sufficiency by providing the opportunity for workshops to sell needed services and products to the people of the U.S. through their government.

In time, these amendments would represent a tremendous savings in welfare costs, an increase in the number of taxpayers, and pride and satisfaction for countless handicapped people now on welfare or working well below their capacities.

Savings in welfare...taxpayers...pride and satisfaction of work...to make these words live for you, as they do for me, I'd like to tell you a brief... and true...story about a blind person I met. Until his early thirties, he supported himself as a carpenter. But gradually his vision grew less and less until he no longer could see well enough to work. Because of his lost sight, he became so depressed he had to be treated for mental illness. During this period he bounced from one rehabilitation program to another; at one point he was judged a total failure for the vending stand program.

By the time his mental illness was so severe he wouldn't even talk, he reached the Columbia Lighthouse for the Blind, where he was trained as a brushmaker. No one knows for sure what finally drew him back into reality but experts mention the pressures of an industrial shop, the pride in production, teamwork. He made such a comeback, he jumped into one of the hardest jobs of the vending stand program: reliefman. This meant he'd work for a day or a week at different stands, wherever and for as long as he was needed during staff illnesses or vacations. Today, he operates a large vending stand near here, he no longer lives with his brother, he's self-supporting, and even bought a house. His counselor says of him, "I have trouble believing this is the same person who came to the Lighthouse seven years ago."

I strongly support both measures under consideration by this Committee and hope the Congress will approve these amendments so that every citizen -- particularly the handicapped -- may improve the quality of his life.

Mr. RUSSELL. This is just a capsule.

As we know, the number of handicapped people is increasing faster than new workshops can be established or existing ones expanded to prepare them for competitive employment. According to the Rehabilitation Services Administration, thousands could benefit if greater workshop services were available. But these services are not available. Daily the squeeze increases with more and more disabled people waiting out their lives on front porches and in the backrooms of their homes or institutions.

The yearly discharge rate of Vietnam veterans has been going up. More than 120,000 Vietnam veterans now are drawing compensation for service-connected disabilities—which means they are eligible for education and training from the VA. But only one out of five has taken advantage of the program. Where are the rest? Probably in marginal jobs, barely ekeing out a living.

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WELFARE COST SAVINGS

These amendments are particularly timely because they are not additional welfare programs. Rather, they provide opportunities for all disability groups to help themselves to self-sufficiency and give workshops greater opportunities to sell needed services and products.

In time, these amendments would represent a tremendous savings in welfare costs, an increase in the number of taxpayers, and pride and satisfaction for countless handicapped people now on welfare or working well below their capacities.

I strongly support both measures under consideration by this committee and hope the Congress will approve these amendments so that every citizen—particularly the handicapped—may improve the quality of his life.

Thank you, Mr. Chairman.

Senator RANDOLPH. Thank you very much, Mr. Russell.

We have one point that perhaps is disturbing.

You have said that only one out of every five of the Vietnam veterans makes use of the benefits available to them.

Now could you develop that further?

Mr. RUSSELL. I have particularly in mind the diasabled veterans that are coming back. And I might say the type of disability is worse than it has been in World War II and the Korean conflict. The number of total compensation cases is higher.

For some reason, I guess—it has not been explained—we are not able to reach many of these veterans who really need training and rehabilitation and reeducation. The ones who have the least amount of training are in need of background education vitally. These are the people that the President's Committee on Vietnam Veterans needs and has to reach. And many of these could be retrained in our workshops.

I might add that these figures are from the Veterans' Administration.

Senator RANDOLPH. You say, Mr. Russell, that there are 1,500 workshops in the country and 65,000 persons who are handicapped in one sense or another are employed on a daily basis. Is that correct?

Mr. RUSSELL. Yes, sir.

Senator RANDOLPH. Now you say further that 3 million people could benefit if greater workshop services were available.

I am not just sure what you mean. Do you mean facilities?

Mr. RUSSELL. We mean facilities and staff and actual work for the workshops in the form of contracts so that the actual work could be provided by these workshops.

In other words, Mr. Chairman, there are a great many of our severely handicapped people who could not, we think, in many cases be adapted to competitive employment, but these people could fulfill a real need in workshops. They could be trained in some cases. In other cases they could perform a daily working period, if these workshops were available and if the skill to run the workshops were available and if the work were provided for the workshops. I think we could reach a lot of people who have not been reached as yet.

Senator RANDOLPH. Mr. Russell, not so much because of the prerogative, although at times chairmen do make certain statements for the record which are in a sense not just in colloquy, but it seems to me that we are failing in the Congress of the United States. I am not placing the blame at a particular point. I shall share it. I hope all the Members of the Congress, 535, shall share it. We are failing to be creative, resourceful in legislative and then resulting execution and administration of the programs that could be written into law, that really permit some 3 million persons who are potential workers, who could contribute to the economy of our country, strengthen their own physical and mental lives, produce wages that would make them more a part of, let's say, the taxpaying public of the Nation.

COMMITMENT IS NEEDED

If we can, as we have, fashion with very huge sums of money the flights to the moon and place astronauts on that planet, there is a very real obligation to begin or to intensify our efforts to meet the problem that you present in your statement here today. It is not enough for us who have been interested especially in these programs, who want to improve them, for us to continue to add to the effectiveness of a program. That is important, but we are at that point—and you bring it home to me this morning by your statement in a way that I must respond with the words I am speaking—the Congress—and it must be led, of course, by people like you, who will encourage us and stimulate us and sometimes jab us—but we must make a commitment. And it is a commitment that can be kept to bring hundreds of thousands of handicapped persons into the life of this republic from the standpoint of productivity.

We can do this with the expenditures of funds at several levels of Government. We can do it through moneys, of course, from other sources than public treasury.

I hope that you will keep after us, as it were, so that we do that which we need to do.

Now I want the record to indicate that I feel very strongly about this. And I want to share with the Members of the Congress this part of your testimony. I am not going to make it just a part of the record of this hearing. I am going to have it made available to every Member of the Senate and the House and then let each person on the Hill, in his or her own right, just realize the great opportunity, coupled with the great responsibility which is ours and which can, I am sure, be accomplished if we have good purposes and if we are determined to do it.

We have no trouble doing these other jobs. We should have no trouble doing this task.

Following what I have said, Mr. Russell, and ladies and gentlemen, about this effort, I go back to what you stated:

"One of the least expensive forms of help is in the legislation you are considering today."

There are other legislative efforts that will be a pittance of the cost which we are expending in other ways in our society. I am attempting to say we turn the priorities overnight from one effort into another, but timed steps will never suffice, Mr. Russell, in this effort. We must move with vigor.

I just feel this perhaps is as much a part of your testimony today as that which you have expressed on the record.

Thank you very much.

Mr. RUSSELL. Thank you, sir, very much.

I think, Mr. Chairman, I might say that all of the handicapped people are very fortunate to have a champion such as you.

Thank you, sir.

Senator RANDOLPH. Thank you.

Are you returning?

Mr. MCCAHILL. Yes, sir. I am going back to the Marine Corps headquarters.

Senator RANDOLPH. Where are you stationed now?

Mr. MCCAHILL. At Marine Headquarters, my annual training duties.

Senator RANDOLPH. Is that 2 weeks?

Mr. MCCAHILL. Yes, sir.

Senator RANDOLPH. Keep working on this at the same time.

Mr. MCCAHILL. Yes, sir. That is why I am here.

I might say, sir, as the Staff Director of the Committee for 23 years, I certainly second the motion from GSA. If they can have a little staff to work on this program as it is amended, it will be a much more efficient and effective program, because you are asking them to do a lot more with fewer people.

Senator RANDOLPH. You were not present yesterday. Or, Mr. Russell, you were not here. But Dr. McFarland, who is with us again today, when I asked the question of the potential employees or entrepreneurs, operators, within the Wagner-O'Day and the Randolph-Sheppard programs, what he felt that potential was that could be reached within the relatively few years, he indicated perhaps 20,000 to 22,000, possibly even 25,000.

Is that right, Dr. McFarland?

Dr. MCFARLAND. That was the blind, Senator, just the blind. That is what I thought you were asking.

Senator RANDOLPH. Yes, that is what I am coming to. That is why I mention these two programs. Upwards of 25,000 are the potentials for these programs, and yet the total now in just these two for the blind is approximately 9,000. So we have it there, and we have it here, and we have it there. And we have the new fields in which the handicapped as a whole can work.

Now maybe we can start to do better.

Mr. RUSSELL. I think so.

Mr. MCCAHILL. I might say, you mentioned that Congress had not been creative enough. I think the Congress has been quite creative in the workshop field. They just haven't appropriated the money.

Senator RANDOLPH. That is a part of the process.

Mr. MCCAHILL. The 1965 amendments to the workshops were great, but they never quite realized the promise. It is a continuing problem.

Senator RANDOLPH. We will try to do better funding, then, for the programs. The programs are long on authorization and short on money.

I thank you.

(The following information was subsequently received:)

48-211 O—70——6

VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420

July 17, 1970

The Honorable
Jennings Randolph
Chairman
Special Subcommittee on the Handicapped
Committee on Labor and Public Welfare
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

We have noted with interest the testimony of Mr. Harold Russell, Chairman, President's Committee on the Employment of the Handicapped, before your Committee concerning the participation of disabled veterans in our vocational rehabilitation program under Chapter 31, Title 38, United States Code. The total figure of disabled used by Mr. Russell appears to be from an earlier point in time and we are unable to verify the participation rate which he quotes. In the interest of accuracy, I would like your Committee to have the latest statistics.

As of May 30, 1970, there were 17,000 disabled veterans in training. During fiscal year 1970, 25,200 veterans participated in the program. There are now 167,349 Vietnam veterans receiving compensation for service-connected disabilities. Not all of these are eligible for nor do they require vocational rehabilitation training. Those whose disabilities are evaluated as 10% or 20% disabling are not eligible for vocational rehabilitation except under the most unusual circumstances where the disability causes a pronounced employment handicap. There are 88,000 veterans in this category.

About 25,000 Vietnam veterans have been added to the compensation rolls in the past three months and will not be ready for training until the fall term. The total number of Vietnam veterans who by this time might be benefiting from vocational rehabilitation is approximately 67,000. Almost 47,000 of these have already participated in the program for a true participation rate of 70%.

These figures do not include veterans who have elected to train under the regular G.I. Bill, such as those who attend tuition-free schools and those who will enter training at some time within the nine years during which they continue to be eligible. It is probable, Mr. Chairman, that more than three out of four eligible veterans will ultimately benefit from this program.

We have discussed these figures with Mr. William McCahill, Executive Director of the President's Committee on Employment of the Handicapped, who agrees that this up-to-date information should be made available to your Committee.

Sincerely,

DONALD E. JOHNSON
Administrator

Senator RANDOLPH. John Taylor is our next witness.

STATEMENT OF JOHN TAYLOR, NATIONAL REPRESENTATIVE, NATIONAL FEDERATION OF THE BLIND

Mr. TAYLOR. Thank you, Mr. Chairman.

Senator RANDOLPH. John, what is the report from the other John, Mr. Nagle?

Mr. TAYLOR. Mr. Chairman, he is getting on a good bit better and feels more comfortable. The length of time he will need to be relatively immobile has not yet been determined. He is in traction now, and they think they may be able to pull the ligaments, and so forth, back into place with this process and void surgery. We certainly hope that.

Senator RANDOLPH. I know his mind will continue to function and he is thinking of us in these hearings.

Mr. TAYLOR. No doubt of that.

Senator RANDOLPH. You proceed as you think best.

Mr. TAYLOR. Mr. Chairman, for the record, my name is John Taylor. I appear this morning to present the views of the National Federation of the Blind with respect to the two bills before the subcommittee today.

I earn my livelihood as assistant director in charge of field operations with the Iowa Commission for the Blind, where I have direct day-to-day responsibility for the vocational rehabilitation services to Iowa's blind citizens and for administration of the States vending-stand program for the blind under the Randolph-Sheppard Act.

It would not be possible for us or for me as a representative of an organization of blind people to appear today without paying our deepest respects to Senator Randolph whose vision and foresight 34 years ago led to the enactment of the Randolph-Sheppard Act, an act which has provided gainful employment to thousands and thousands of blind men and women. We are appreciative of this action, and we honor Senator Randolph.

I would like to summarize briefly our statement regarding the two measures before you today and to call your attention particularly to some of the problems that we see in the Randolph-Sheppard Act as it is today.

The purpose of the Randolph-Sheppard Act is a declaration of hope and opportunity. It is enlarging the conomic opportunities of the blind and stimulating blind persons to greater efforts in striving to make themselves self-supporting.

In the 34 years since the adoption of the act, very substantial numbers of blind persons have found satisfying and self-supporting employment.

Permit us to address ourselves now to the bill itself that is before this committee, S. 2461.

Section 2 of the bill provides for the exclusive assignment of vending-stand operators.

At the present time, Mr. Chairman, hundreds of Federal employee groups and associations are operating vending machines, cafeterias, and similar services on Federal property in competition with vending

stands operated by blind persons and in total disregard and derogation of the congressionally created preference to blind people for the operation of such facilities on Federal locations.

Section 2 of S. 2461 would assign receipts of these employee operations to blind-operated vending stands and preserve and protect the existing vending-stand program and encourage and make possible the expansion of the program by including these vending machines within the scope of the blind preference.

Since the heads of Federal departments and agencies are now permitted not only to determine whether a vending stand may be established but what articles may be sold, they are in a position, whether consciously or otherwise, to structure the operation so as to make certain types of food service, particularly the larger and more profitable types, out of bounds for the blind operator.

They are also in a position to limit the range of products sold in such a manner as to make it appear that vending machines and cafeterias operated by employee groups are not in competition with the blind vending-stand operator.

PRESSURE TO LIMIT STANDS

There is constant pressure from employee groups, from employee welfare and recreation funds, et cetera, to limit the operation of vending stands and to enlarge the scope of vending machines, cafeterias, and similar activities from which employees receive profits.

The National Federation of the Blind believes that Federal employees should be compensated in a manner commensurate with their contributions to the work of their departments and agencies and that it is not necessary or desirable for them to conduct business operations for private or group profit on Federal property.

In recent years, increased numbers of vending machines have been installed in competition with blind-operated vending stands and increased amounts of revenue have been diverted to the use of Federal employee groups. This trend must be reversed if the vending-stand program for the blind is to continue to develop or even survive.

It cannot be too strongly emphasized that we would give all proceeds from vending machines and similar operations on Federal property to blind vending-stand operators. Otherwise, political pressures from employee groups and similar considerations are likely to be decisive in determining whether vending machines are located "in reasonable proximity to and in direct competition with a vending stand"—the criterion in the present law.

Section 5 of the pending bill would broaden the types of articles and services that may be sold in a vending stand, and we concur fully in these proposed changes in the vending-stand law. These changes reflect recognition of the many methods and techniques available to blind persons who operate vending stands and permit substantial expansion and improvement of the vending-stand program for the blind.

We support the abolition of any residence requirement in the vending-stand program as proposed in section 6 of S. 2461, for we believe the existing residence requirement is an unnecessary and harmful restriction.

Section 7 of S. 2461 is most essential if the vending-stand program is to be assured a legal base permitting growth and expansion, for it requires that there be suitable site for the location of vending stands on all property occupied by Federal departments and agencies unless the circumstances in each individual case clearly warrant elimination of such facilities.

A major factor restricting development of the vending-stand snack-bar program for the blind on Federal property has been the failure of Federal departments and agencies to provide adequate space and facilities. Today, construction of a new postal facility in Des Moines, Iowa, is nearing completion. This modern postal facility provides space and facilities for more than 1,000 Federal employees, and it is one of the newest postal facilities in the country.

When this facility was being designed and during the early part of its construction, the State licensing agency was denied consultation with respect to the amount of space needed for a vending stand and the kind of electrical and plumbing facilities which should have been necessary. Instead, the Post Office Department provided approximately 60 square feet of usable space for a Randolph-Sheppard vending stand but no plumbing facilities or no additional electrical facilities.

SPACE IS INADEQUATE

In the same postal facility in Des Moines, Iowa, the Department has provided 3,512 square feet of space at two different locations for vending machines. Both locations contain all the necessary electrical and plumbing facilities. The opportunity to operate both vending-machine locations will be denied blind persons.

In others words, Mr. Chairman and members of the subcommittee, in this new postal facility, approximately 60 square feet of usable space has been provided for a blind-operated vending stand, while more than 3,500 square feet of space has been provided for vending machines to operate in competition with the vending stand.

Senator RANDOLPH. That is a point that I stressed yesterday. If you were present, Mr. Taylor, you may recall that I said that it so often seems that it is a contest between people and machines. And you are giving us this illustration today which bears out what I said, in part.

There is a place, of course, for the machine to be utilized by the person. And yet it seems from the illustration you are presenting that the person was moved out and the machine was moved in. Is that right?

Mr. TAYLOR. And the money goes with the machines, Mr. Chairman. That is the real problem here in this building in Des Moines. Six hundred times as much space has been provided for machines from which employees will derive the profits.

Shall I proceed?

Senator RANDOLPH. Yes; go ahead.

Mr. TAYLOR. In this facility alone, the high purpose and promise of the Randolph-Sheppard Act has been administratively struck down. Adoption of the provisions contained in section 7 of the bill under consideration today would eliminate this form of evasion, and the illus-

tration just cited is not an isolated example. It occurs frequently and to an increasing extent. It represents only the most blatant recent example.

Section 8 of the Randolph bill provides for an arbitration-type fair-hearing mechanism for resolving differences between blind vending-stand operators and officials of a State licensing agency in the administration of the vending-stand program.

This proposal would establish an objective and impartial fair-hearing procedure, in which vending-stand operators could place their confidence and trust in substitution for the present supervisory-review fair-hearing procedure, in which vending-stand operators have little or no confidence and trust.

Section 9 would redefine the term "vending stand" to include within the vending-stand program, by statutory designation, various kinds of merchandising facilities presently being operated under the vending-stand program by accepted practice and developed custom and usage.

In this connection, Mr. Chairman, it is important to note that attitudes of Federal department heads have played a significant role in the restrictive policies established with respect to implementation of the Randolph-Sheppard Act program. The list of products contained in the act has been interpreted to be a complete list, and the attitude of Federal departments and agencies is often such as to restrict severely the kinds of things which blind persons are permitted to do.

As one illusration of this, let me cite a statement from the policy manual made available to General Services Administration employees for their guidance in the administration of the Randolph-Sheppard vending-stand program. The statement reads as follows:

"Although it is preferable that coffee and hot chocolate be dispensed by vending machines, there may be occasions when it must be prepared and dispensed by other means. In that event, the blind operator shall not prepare or serve it, nor handle the utensils used in connection therewith."

In other words, the blind person may not make coffee or hot chocolate. A blind person may not serve it. He may not touch the spoon, the cup, and he may not wash the coffee pots.

So long as policies such as this exist, then the opportunities available for blind persons in the vending-stand program will be severely limited. So redefining of the term "vending stand" is of key importance, because it would make clear the congressional intent that substantially larger and more diversified operations would be included within the scope of the program.

Section 10 of the vending-stand amending bill would authorize the use of arbitration, specifying the membership of such body, for the resolution of disputes and differences which arise between officials in charge of Federal property and State licensing-agency officials with reference to the operation of the vending-stand program. By providing this regularized method of handling Federal-State problems affecting the vending-stand program, a strengthened program should result to provide more job opportunities for blind people.

And, finally, section 11 of S. 2461, by authorizing resort to the courts when a blind person or State licensing agency wishes such ad-

judication of complaints and grievances against a Federal department or agency, recourse is available to negate unreasonable or unjustified actions of Federal Government employees.

The present number of opportunities in the vending-stand program for blind persons is severely limited in comparison with what it could be. And we strongly urge that the number of opportunities be substantially expanded under the Randolph-Sheppard Act, if Federal properties are available.

No precise information has been developed as to exactly how many opportunities for employment there could be. But there can be no doubt that they run in the thousands.

Mr. Chairman, the Randolph-Sheppard program for the blind is the major single employment program for blind persons in this country today. The major growth in the program, however, is occurring on non-Federal property. Less than 30 percent of the vending stands established and operated under the Randolph-Sheppard Act are now on Federal locations.

The opportunity is before us and the proposal before us is such that if it can be adopted in its present form, the number of job opportunities for blind persons would be enlarged severalfold.

BENEFIT PROTECTION CITED

Now, in conclusion, let me direct your attention very briefly to the amendments and the problems involved in the bill to amend the Wagner-O'Day Act.

The question of the role of sheltered workshops in the United States is a controversial one. Our organization includes within its ranks a substantial number of blind persons who are employed in sheltered workshops. We have firsthand experience with the kinds of problems which blind persons encounter in these sheltered workshops.

We call to your attention two amendments for which we request your consideration.

The first of these concerns itself not so much with whether blind or other severely physically handicapped persons will work in sheltered workshops providing goods and services to the Federal Government, but rather with the rights and opportunities and protections available to these employees.

Under the amendment that we propose, a condition for selling products and services to the Federal Government would be inclusion of handicapped employees in workmen's compensation coverage, Social Security retirement-and-disability benefits coverage, unemployment-compensation coverage, inclusion and coverage in section 6 of the Federal Fair Labor Standards Act, and coverage under the National Labor Relations Act in order that handicapped employees have the opportunities to organize and to negotiate collectively with workshop management for improvements in wages and working conditions.

The second amendment addresses itself to another problem.

We are convinced that the Committee on Blind-Made Products has interpreted too broadly the 75-percent labor requirement on goods and services provided to the Federal Government. That committee's interpretation provides that 75 percent of the direct labor on a given product need not be provided by handicapped workers but rather only that

75 percent of all work of all direct labor performed in the facility should be performed by blind persons.

Under this interpretation, it is possible to produce and sell to the Government under the Wagner-O'Day Act products which use no handicapped workers—or almost none. It is possible to lay off blind workers and hire sighted workers.

We believe that the time has come when this loophole ought to be plugged and plugged tightly.

Mr. Chairman, I want to take advantage of this opportunity again to express our appreciation to you personally for the leadership, the interest, and the concern, and the support which you have provided over the years to blind persons and their efforts to achieve the purposes so clearly and forcefully stated in the purpose clause of the Randolph-Sheppard Act.

Thank you.

Senator RANDOLPH. Mr. Taylor, will you wait for a question or two, please?

Mr. TAYLOR. Surely.

Senator RANDOLPH. On page 4 of the printed statement, Mr. Taylor used the illustration of the Des Moines, Iowa, postal facility.

Now, is that a Federal building in the sense that there are other agencies in the building? Or is it solely a post office facility?

Mr. TAYLOR. It is solely a post office. It should be ready for occupancy within the next 2 months.

Senator RANDOLPH. In your prepared statement, you indicated that since the heads of Federal departments and agencies are now permitted not only to determine whether a vending stand may be established but what articles may be sold, they are in a position, whether consciously or otherwise, to structure the operation, and so forth.

Can you identify, Mr. Taylor, any agency or heads of agencies? Can you be somewhat more definitive, if you think that is appropriate, to help the subcommitee in a review of this problem?

Mr. TAYLOR. Yes, sir.

When a State licensing agency under the Randolph-Sheppard Act wishes to establish a vending stand on Federal property, it fills out a form that is provided by the Federal Government, Form 8–B–1–1. On that form it describes the equipment that will be provided, the space that it will occupy, and the products that will be sold in that vending stand.

Now, I submitted recently an application in which I requested authority to sell novelties and souvenirs. When the permit was returned to me, those two items were deleted. I was advised by the General Services Administration that novelties and souvenirs were not encompassed within the purview of the act.

They went on to say that novelties and souvenirs did not include such items as hairbrushes, toothbrushes, razors, razor blades, and shoe polish.

Senator RANDOLPH. What about a small American flag?

Mr. TAYLOR. They didn't say, Mr. Chairman. I suppose that in the literal sense that might be treated as a novelty or a souvenir.

The list of products for which we request approval must be stated quite precisely. It is not uncommon to have one or more items deleted from the list which we submit. This is not confined to, I think, any one agency.

The interpretations, I might add, however, among various Federal departments and agencies, differ substantially so that I might have requested this of another department and had it approved with no problem at all.

Senator RANDOLPH. I think, Mr. Taylor, that is understandable, because the intent of the Congress is subject, as you say, to interpretation.

We must be careful, however, that there is no subversion of the intent of the Congress. This is important.

Mr. TAYLOR. This is correct, sir.

Senator RANDOLPH. From time to time, not only in matters which you discuss but in other situations, we have determined through what we call "oversight and review" hearings that the law has in a sense been subverted. To use another term, which perhaps is not too blunt, there has been an "evasion" by individuals.

We are not sure that is always deliberate. It might not be even calculated. Sometimes, in matters of this type you would think that the vending-machine operators even encouraged it.

Do you think that may be so?

Mr. TAYLOR. I have no proof of that. I think that we clearly are involved in a competitive situation, in which blind operators in vending stands are competing against employee welfare funds, and the vending machine has been a very convenient device for draining off the revenues which normally would have come to the blind vending-stand operators.

As I have indicated, it is a very simple matter to say—or restrict on the permit—the range of products to be sold in such a way as to make it appear that the vending machine, since it sells a product that the stand does not sell, is not there for competing with the stand. In fact, if the stand is not selling it and the vending machine is, the two are not in competition, because the stand has not been permitted to sell it.

Senator RANDOLPH. Let's take the illustration of a bar of candy. Is that sold by the vendor?

Mr. TAYLOR. In vending stands, yes, sir. That is one of the items listed in the list of items in the act, of course, and it is approved. I have no problem in getting candy bars approved.

Senator RANDOLPH. And even though they are a competitive item with machines?

Mr. TAYLOR. The vending machines also sell the candy bars.

Senator RANDOLPH. That is what I say. It is a competitive item with the machine and the vendor sells it, not from a machine. Isn't that correct? It is from the place where you have displayed candies?

Mr. TAYLOR. Generally speaking, that is true. There are some occasions on which, usually after protracted negotiations with the person in charge of Federal property, a coin-operated vending machine has been installed to supplement the service provided over the counter by the blind vending-stand operator. And that machine frequently is operated by the blind person and owed by the licensing agency, along with other equipment.

Senator RANDOLPH. You appear not as a critic of the machine, and neither does the chairman, in the questions that have been asked or in the discussions we have had. However, I think we do have to be alert to these problems. It may be, in a sense, clarification that is needed, and understanding can be consummated.

Is that your feeling?

Mr. TAYLOR. Yes, sir. I think the key thing here is that blind persons can operate these machines and operate and maintain and service them. What we need is a broadening of the act so that the machines will be maintained and operated by blind persons and so blind persons will receive the income derived therefrom and be provided the employment that is associated with it, so that there will be a substantial number of blind persons employed that are not today employed.

Senator RANDOLPH. I think this is certainly a valid argument that you present. We will hope to so draft the amendments that the law can be strengthened and that the availability of work for the blind or other handicapped persons can be increased.

Thank you very much, Mr. Taylor.

(The statement of the American Council of the Blind follows:)

THE AMERICAN COUNCIL OF THE BLIND

Reese H. Robrahn, President

Dr. S. Bradley Burson, Chairman
of Legislative Committee

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STATEMENT BEFORE THE

SPECIAL SUBCOMMITTEE ON

EMPLOYMENT OF HANDICAPPED WORKERS

of the

SENATE LABOR AND PUBLIC WELFARE COMMITTEE

July 10, 1970

SUMMARY

The American Council of the Blind:

1. Opposes the expansion of the Wagner-O'Day Act to include non-profit agencies for severely handicapped individuals who are not blind.

2. Opposes the authorization to establish more than one central agency for the allocation of contracts to non-profit agencies.

3. Opposes any amendment to authorize direct contracting for procurement with the central non-profit allocating agency.

4. Favors the addition of "services".

5. Favors remedial amendments to perfect the Committee's

powers and function made necessary by the decision of the Court of Appeals of the D. C. Circuit.

6. Favors a statutory requirement that 75% of production labor must be blind.

7. Favors a statutory prerequisite that all non-profit agencies must in order to qualify for government orders for products or services waive their exemptions from and comply with the following laws providing for: Social Security, Unemployment Compensation, Workmen's Compensation, minimum wages, and the National Labor Relations Act.

STATEMENT

Proponents of this expansion dream of involving 1,500 workshops and 100,000 handicapped persons in this program, or about 20 times the present number of blind persons employed by workshops for the blind. An institute on workshops for the blind, "Workshops in the 70's", held in May, 1968, estimated that there are 25,000 blind persons who could be employed in workshops if they had sufficient business. Only 5,000 blind persons are now so employed, or 20% of the estimated potential. The peak year for government purchases under the Wagner-O'Day

Act was reached three years ago, when purchases amounted to $28 million. Since that time purchases have steadily declined, and in the fiscal year just ended purchases were no more than $19 million.

The addition of "services" in the Act would increase the volume of government purchases, but no one can accurately predict the effect such an addition would have.

The simple fact is that there is not enough government business and not enough prospect for such business to justify the proposed expansion. Most of the 5,000 blind workers employed in 79 workshops for the blind work without the advantages and protection of rights and benefits which are quite common in other industry and which will be discussed later in this statement. They are low income workers, subject to the sub-minimum provisions of the Fair Labor Standards Act, and they are hardly in a position to share the limited amount of work which can be expected through government orders.

It will be argued by proponents of S. 3425 that the present level of employment of blind workers will not be affected because of the purported priority for the blind in the provisions of the bill. Blindness is not defined in this bill, and no minimum number or percentage of

blind and/or severely handicpaaed workers is required. By regulation the required percentage of blind production workers is presently 75%. If S. 3425 should be adopted in its present form, the Committee could reduce that percentage--and there are advocated for doing just that--or it could provide that any combination of blind and other handicapped workers would qualify any non-profit workshop to receive government contracts. In the latter event, any workshop with any blind employees, however few, could qualify for the priority stated in the bill.

Even if the priority system should work as its proponents claim it would, the inevitable result would be a growing demand for equality of treatment and for the selection and allocation of new products and services to be allocated to the other handicapped workshops. Under such conditions, the Committee could not avoid becoming a battleground of contending forces. The predicted discord is made even more likely by the probability of two or more allocating agencies for government orders. The Board of Directors of National Industries for the Blind has taken the position that it does not want NIB to be the allocating agency for other handicapped shops.

The Wagner-O'Day program has worked satisfactorily from the standpoint of the government and has achieved

considerable, although limited, success in the attainment of its social purposes. Those who depend upon the continued success of the Wagner-O'Day program cannot afford the risk of hostile competition and administrative conflict within the program. If the proponents of S. 3425 believe that enough government business can be made available to justify an Act of Congress, then they should seek an entirely separate act.

Without respect to S. 3425, the operation of the Wagner-O'Day program is substantially threatened by a decision of the Court of Appeals for the District of Columbia Circuit, and remedial amendments to the Act are desireable to save the program in its present form and scope. An amendment will probably be proposed to authorize procurement contracts with the central non-profit-making agency whose function has been to allocate such contracts to producing workshops. The effect of direct contracting with a central non-profit agency which is not a workshop would be to create a business monopoly, which could seriously and adversely affect the fair and impartial allocation of government business. Creation of such a monopoly would not improve performance under the program and therefore should not be made part of the Act.

The addition of "services" would have a beneficial

effect upon employment opportunities. Workshops for the blind have, through the performance of private contracts, demonstrated the ability of blind workers to perform many services satisfactorily. We believe that the good record made by blind workers in the production of commodities can be duplicated in the performance of services for the government.

As stated earlier, S. 3425 does not define blindness and requires no minimum number or percentage of blind workers. These provisions should definitely be a part of the Act and should not be left to regulations made by the Committee.

The Wagner-O'Day Act was intended to provide employment opportunities for blind workers. The Act does not require that these production workers be deprived of such benefits as Social Security, Unemployment Compensation, Workmen's Compensation, minimum wages, and the National Labor Relations Act. The laws providing for such benefits generally exempt non-profit organizations from their provisions. Very few of the workshops for the blind and even fewer of the other handicapped shops have waived their exemptions from such laws. None of these non-profit organizations pays income tax, and many of them were established and have been supplemented by

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grants of government money. In consideration of all of these economic factors, it is timely that Congress should ask the question, "Why are these benefits not applicable to blind and other handicapped workers as they are to others?". Workshops which are efficiently managed can afford the cost of these benefits. This conclusion is affected in part by the price-fixing policies of the Committee for the Purchase of Blind-Made Products. The Committee has done a very conservative job of price-fixing on products purchased by the government. It will be argued that such prices will have to be increased if blind workers are to receive the benefits enumerated above. This is probably true in some cases, but it is nonetheless in the public interest. A worker who earns the minimum or prevailing wage pays more taxes than one who receives a sub-minimum wage. A worker who is entitled to the other benefits will not need to be dependent upon welfare programs financed by the same government. The Act should require as a condition precedent to receiving government contracts that all workshops provide such benefits and that the Committee, in fixing the prices for commodities and services, take into account the cost of such benefits.

# # #

STATEMENT OF ROBERT C. GOODPASTURE, EXECUTIVE VICE PRESIDENT, NATIONAL INDUSTRIES FOR THE BLIND; ACCOMPANIED BY COL. JOHN W. HANGER, WASHINGTON REPRESENTATIVE

Senator RANDOLPH. Mr. Goodpasture, you are our next witness.

Mr. GOODPASTURE. I am Robert C. Goodpasture, the executive vice president of National Industries for the Blind, in New York. I have been the chief administrative officer of NIB for 10 years. With me is Col. John W. Hanger, the Washington Representative of National Industries for the Blind.

We wish to thank the subcommittee for inviting National Industries for the Blind to be represented today and to present its comments on the proposed amendments to the Wagner-O'Day Act. Of course, we wish particularly to thank you, Mr. Chairman, Senator Javits, and Senator Magnuson for introducing this very important legislation; this legislation which we feel will have tremendous ramifications for handicapped people for many years to come.

National Industries for the Blind submitted a written statement to this subcommittee several days ago. Unfortunately, there was an error in that statement, which we would like to promptly correct for the record.

I refer to section 2(C) of the amendment, which should read as follows, from the standpoint of our recommendation and the statement which we submitted:

> In the purchase by the Government of commodities produced and offered for sale by nonprofit agencies for the blind and/or other severely handicapped, priority shall be accorded to such commodities produced and offered for sale by nonprofit agencies for the blind, and
>
> In the purchase by the Government of services offered for sale by nonprofit agencies for the blind and other severely handicapped, priority shall, until the close of June 30, 1976, be accorded to services offered for sale by nonprofit agencies for the blind.

That is the end of that section. This is the correct wording, which was erroneously stated in our written presentations.

Since 1938, when the Wagner-O'Day Act was first passed, National Industries for the Blind has been responsible to the Committee on Purchases of Blind-Made Products for the allocation of all Government orders among the workshops for the blind.

Our initial responsibilities were quite limited in scope and pertained primarily to this responsibility for allocation, and also for determining whether workshops for the blind were eligible to receive governmental allocations. Over the 32 years since the passage of the law, the activities of National Industries for the Blind have been substantially broadened.

At the present time we maintain four principal divisions within NIB, the functions of which are exclusively to serve the workshops for the blind which participate in this program.

Colonel Hanger is vice president in charge of Government marketing for National Industries for the Blind. His division is responsible for the selection of new items to be made in workshops for the blind. He also is responsible for the allocation of the Government business among the shops. And he is responsible for all other NIB activities involved in the supply of products to our Federal Government.

GOVERNMENT ORDERS CYCLICAL

Through the years it has been recognized by the agencies for the blind affiliated with NIB that they should not become overly dependent upon the Federal Government for their business. Government orders can be cyclical, and we cannot always count on continuity of business under the provisions of the Wagner-O'Day Act, because the needs of the Government are constantly changing. Therefore, we have established a Division of Consumer Marketing, and this is headed by a vice presidential counterpart to Colonel Hanger. In this area National Industries for the Blind assumes responsibility for the generation of consumer markets for blind-made products. In many instances they utilize products which are similar to those made for the Government. Through this means we are able to develop more consistent employment for blind persons within our shop program.

We feel that the Government program and the consumer program complement each other well and, from a business standpoint, are sound, well conceived and well related.

In addition to these two important divisions of Government marketing and of consumer marketing, National Industries for the Blind maintains an operating division, also headed by a vice president. This is vital to the spirit and the operation of our program, because as the two market areas are developed, it is necessary for us to devote a considerable amount of time, effort, and staff talent to the initiation of production of new items. We are constantly striving to establish in our shops, types of production which will train blind persons with placeable skills; which will move them away from the more traditional type of handcraft operations and emulate to a larger degree the type of production encountered in private industry.

Our operations division is staffed by engineers, quality-control specialists, purchasing specialists, and others who have knowledge of the business of production. I might illustrate the operation of this division by making reference to a Government product which Mr. Donohue mentioned earlier, the ballpoint pen:

In order to establish production in a sheltered workshop of an item which has hope of employing substantial numbers of people, it is necessary to select the proper equipment, in some instances to make modifications in the equipment which will enable it to be operated by a blind person. National Industries for the Blind undertook such activities on behalf of the shops participating in the ballpoint pen project.

Our engineers worked with manufacturers of equipment. They then went into the associated shops and laid out the location of equipment and did other work which was necessary before the blind persons could initiate production.

A considerable amount of money is necessary to undertake this responsibility. But we find it has become really essential to the broadening of our markets.

The last division of NIB, and also a very important one, is our rehabilitation division. This is staffed by persons knowledgeable in the field or rehabilitation, by persons who are not necessarily production oriented. Recognizing that the ultimate goal of the sheltered workshop

is to assist in the rehabilitation process, we have found that it is necessary for NIB to establish responsible assistance and consultation to our shops in matters relating to rehabilitation.

The Wagner-O'Day Act has really been the major impetus towards the growth of sheltered workshops for the blind over the past 30 years. We find today, as the subcommittee has already been advised, that approximately 4,500 blind workers are now employed in the 80 shops associated with NIB.

Senator RANDOLPH. What was that figure, Mr. Goodpasture?

Mr. GOODPASTURE. 4,500, Mr. Chairman.

Senator RANDOLPH. What would have been the figure 10 years ago?

Mr. GOODPASTURE. Approximately 3,400.

Senator RANDOLPH. Would you say you are adding perhaps 50 to 100 each year?

Mr. GOODPASTURE. Yes, sir, that would be our record of the past 10 years. Our projections for the future would be substantially in excess of that amount.

These persons today are earning approximately $9 million in wages every year. I think it is important to emphasize, Mr. Chairman, that the workshops for the blind, more and more, are gravitating toward the needs of the severely, the multihandicapped type person. The reason for this is our placement programs are developing stronger and stronger each year, and so the more competent handicapped person can be placed in industry in most instances. This is going to become increasingly true.

Therefore, we find what might be referred to as the "hard core" unemployed of the blind who are gravitating toward the sheltered workshop. These are people for whom there can be little hope for employment in regular industry.

The concept of the sheltered workshop, in our opinion is sound in that it takes persons who previously were dependent on someone—their families, their communities—for their support and gives them the opportunity to earn a living and to become self-supporting, at least to a degree if not entirely. The concept seems so sound. The growth of our program, particularly in the last decade, seems to support the fact that our States and communities nationwide feel that this is the proper way to assist these handicapped persons in their efforts to become independent.

Senator RANDOLPH. Would you at this point discuss the matter of your entry into the State of West Virginia?

Mr. GOODPASTURE. Yes, sir.

I mentioned earlier, Mr. Chairman, that there are 80 workshops associated with NIB, approximately one-third of these being State-owned institutions. The balance are local nonprofit corporations.

I believe at the present time we have associated shops in 35 States. We do not have an associated shop in the State of West Virginia. To the best of my recollection, it would be perhaps a year and a half ago when you and I first discussed this. And we at NIB and the American Foundation for the Blind, our sister institution, stand ready to assist State officials and public citizens in any part of the Nation in the event they wish to evaluate the need for a facility within a community or a State.

We have communicated with the Governor and have every indication from him that he would like to have our assistance in evaluating the need for a workshop for the blind in West Virginia. The Governor has designated a representative to serve as the chairman of a committee in West Virginia, with which we would work in the evaluation of the needs there.

Unfortunately, as of this date we have not yet received a go-ahead from the gentleman designated by the Governor. But we stand ready immediately to initiate that effort, and we are eager to do so. We certainly appreciate your interest in inviting us to initiate such an action.

Senator RANDOLPH. I am glad the proposal was made. And I discussed it with you because I felt in West Virginia there was a field for sheltered workshops.

I am not critical of any person, official or otherwise, in the State. But I do hope that there can be action. And if I might say this appropriately, I don't think it would be wrong for you to nudge that person.

Mr. GOODPASTURE. We have done so, and we shall again, Senator.

Senator RANDOLPH. You nudge a little harder.

Mr. GOODPASTURE. Yes, sir.

A significant part of the policy of our workshop program is the percentage of blind or handicapped labor that is involved in these special workshops.

AVERAGE HOURLY WAGES

I would like to call to the attention of the subcommittee the fact that under the present statute and regulations, 75-percent blind labor is required in our shop program. Historically, we have substantially exceeded this required minimum. At the present time approximately 86 percent of the direct labor in the agencies' workshops for the blind affiliated with NIB is provided by legally blind persons.

I might also note that at the present time the average hourly earnings of blind workers benefiting from this program is $1.75 per hour.

Senator RANDOLPH. What is the minimum wage paid under the Fair Labor Standards Act at the present time?

Mr. GOODPASTURE. $1.60 per hour.

Senator RANDOLPH. So this is a good figure, isn't it?

Mr. GOODPASTURE. Yes, it is. We are very gratified.

But we hasten to add, Mr. Chairman, that we realize it is difficult for a family to maintain a scale of living which we all aspire to at this level of income. Our shops are certainly constantly doing everything possible to increase the earnings of the blind workers.

One move in this direction is the extensive use of piece rates, which assures that the blind person's earnings are commensurate with those of persons in private industry, because we use the piece rates used in sighted industry.

In some instances the productivity of a blind person is less than that of a sighted person. Hence, their average hourly earnings may be less. But we are using piece rates quite extensively today.

I think, Mr. Chairman, one of the most important benefits of the Wagner-O'Day Act has been the support it has given to our shops in their move toward more modern and sophisticated products. Thirty years ago the shops were oriented primarily around brooms, mops, and similar items. Today, however, we are making a range of products

which the average person would perhaps be impressed by. We generally find that they were unaware that blind people were making such items.

To mention a few, we make all the military neck-ties of the Army, Navy, Air Force today. For several years they have been blind-made. This is a high-quality product. It is quite demanding in terms of the skills of the production worker. It is an item which we have been eminently successful in producing for several years.

Mr. Donahue mentioned earlier ballpoint pens, which has proven to be an extremely attractive item from the standpoint of our blind workers. They have been able to earn quite a good income on this item, because it is produced by semiautomation, and this enables the blind person to follow a repetitive operation, which gets his productivity up quite high. The machine, in this case, tends to a degree to compensate for some of his limitations. The ballpoint pen project has been very helpful to us. I might also mention that in the subcontract field we have a shop today which is doing extensive production for Boeing Aircraft on a strictly competitive basis.

These developments in our employment of the blind persons in new lines of production have certainly been hastened by the support we have received from the Government through the introduction of new Government-type items into our plants.

With regard to the proposed amendment to the Wagner-O'Day Act, I should mentioned that the original impetus for this change came from outside NIB and its associated shops. It is understandable that other national agencies serving handicapped persons aspire to obtain Government business to help them expand their markets. When they approached representatives of agencies for the blind, we responded quickly, with a desire to be helpful.

When the original law was passed in 1938 representatives of agencies for the blind were assisted by others who supported their introduction of this proposal before the Congress. We feel that the experience we have acquired should now be made available to the other handicapped groups.

As a consequence of this basic policy, we do support the amendment to the Wagner-O'Day Act. However there are several points which we feel are vital to any amendment.

Perhaps first and foremost is our conviction that the law must be maintained for the benefit of severely handicapped or multihandicapped persons. These are the ones with whom we are concerned, and we feel and hope that the subcommittee will see that the law is preserved for the benefit of the severely handicapped persons.

KEEP PRESENT PRIORITIES

We also feel that, in fairness to blind persons throughout the country, we must urge that the present priorities of blind persons be preserved. We feel that this is a practical and an attainable goal. Just as the workshops for the blind have deferred to Federal prison industries for 30 years, recognizing that prison industries had a priority before the Wagner-O'Day Act was passed, we feel now that the

workshops for the blind and the blind persons they serve—which represents a relatively small portion of the handicapped of the Nation—should have the first priority on Government business.

We also feel it is important at this time to take advantage of the chance to update the law in a number of ways. We hope very much that you will decide to include the provision for inclusion of agencies for the blind and handicapped in certain territories outside the continental limits of the United States.

At this time we already have an important agency for the blind serving a large number of citizens in Puerto Rico, which is eager for participation. Under the current statute and regulations, we are unable to include this agency in our program. So we hope that the reference in the proposed amendment to territories, can be maintained.

We have submitted for your consideration some changes in the wording to the Javits amendment. We feel that our proposals in no way change the substance of the Javits amendment.

To name one or two of the changes which we think will help and strengthen the law, we mention first the elimination of references to brooms and mops. This was also recommended by Mr. Donahue on behalf of Mr. Abersfeller. We think the reference to brooms and mops is definitely outdated and no longer truly suitable.

We also feel that it would be very, very helpful to the Committee on Purchases of Blind-Made Products if the Congress can make a clear declaration of intent, that the committee has responsibility for determining and selecting suitable products to be included under provisions of the law.

We think that it would be helpful to the Committee on Purchases of Blind-Made Products if the amended statute clearly places upon that committee the responsibility for establishing criteria to use in determining eligibility of sheltered workshops for participation.

After 30 years of service to the Committee on Purchases of Blind-Made Products, we at NIB have some perspective on the administrative complexities of a law of this kind. An amended statute will be substantially broader in scope, and we think it is important that the Congress indicate that the Committee on Purchases of Blind-Made Products is empowered to use its good judgment in determining proper sources of information to use in the evaluation and selection of future items.

SELECTING FUTURE ITEMS

In the selection of future items, I think the committee will need some special consultation which it might not have available on its own stall. We suggest that the Congress make it possible for the Committee on Purchases of Blind-Made Products to turn to outside resources for assistance.

The question of offshore procurement is one we believe is of considerable importance. Mr. Donahue made reference to this and you, Mr. Chairman, questioned Mr. Donahue on this point, I believe.

I think it proper to put on the record a letter written by Cordell Hull, who was the Secretary of State in 1937. The letter was addressed to Senator Wheeler, who was chairman of the Committee on Interstate Commerce at that time.

In this letter the Secretary of State very clearly indicates the reason why the Department of State wished to exclude brooms and mops from procurement for offshore use. One paragraph from this letter reads as follows:

> The present language of bill S. 2819 would make it apply to purchases of brooms and mops by this Department for use in its 346 diplomatic and consular offices abroad. This would not be in the interests of the Government, because in most cases the cost of the shipment of these articles to foreign countries would be in excess of their cost to purchase locally in the countries where our offices are located. The bill would, however, be unobjectionable to this Department if amended by changing the period at the end of section 3 to a comma and adding the language, "or in cases where brooms and mops are procured for use outside the continental United States."

That is the end of the excerpt from Secretary Hull's letter.

This wording that he proposed is the wording that was finally adopted by the Congress in the 1938 bill. We feel today, Mr. Chairman, that the concept of limitation of purchase to use in the continental United States is not applicable. We believe it was the original intent of Congress only to exclude purchase of brooms and mops for shipments overseas. We urge, therefore, that any restriction in the Javits amendment be equally limited.

One additional point regarding the suggestions for change in the Javits amendment. A suggestion was made by Mr. Abersfeller, through Mr. Donohue, relating to the need of the committee for a staff. National Industries for the Blind concurs that the administrative duties which will have to be carried out under the expanded law will be so extensive as to warrant provision for some type of a small staff to work for the committee on purchases of blind-made products.

We thank you, Mr. Chairman, for this opportunity to present our views on this important legislation. We do hope that ultimately an amendment of the type proposed by you and your colleagues will be passed by the Congress.

Senator RANDOLPH. I have just one question, Mr. Goodpasture.

Do you feel that the legislation as presented to amend the Wagner-O'Day Act, if it were reported from the committee and passed in the Senate, and ultimately became law, meets the general improvement proposals that you would think of that are necessary at the present time?

Mr. GOODPASTURE. Yes; I do, Mr. Chairman, with the several additional changes of wording which we have submitted for your consideration.

Senator RANDOLPH. Yes. And those are more technical in nature.

Mr. GOODPASTURE. Yes.

Senator RANDOLPH. Mr. Goodpasture, I thank you very much for your contribution to these hearings. It is very significant. Your statement will appear in full in the record.

(The prepared statement of Mr. Goodpasture follows:)

NATIONAL INDUSTRIES FOR THE BLIND

NEW YORK, N. Y.

Statement Presented to
Special Sub-Committee on Employment of Handicapped Workers
of the
Senate Labor and Public Welfare Committee
Regarding
S. 3425 - The Wagner-O'Day Act Amendments
July 10, 1970

by
Robert C. Goodpasture, Executive Vice President
National Industries for the Blind

National Industries for the Blind is appreciative of the opportunity to make this statement before the Special Sub-Committee on Employment of Handicapped Workers of the Senate Labor and Public Welfare Committee. Having been directly involved in the implementation of the Wagner-O'Day Act since its original passage in 1938, NIB is understandably interested in the intent, spirit and wording of amendments which will change the Wagner-O'Day Act. Such changes will most certainly affect the 4,500 blind persons now gainfully employed in the 80 workshops for the blind which are presently participating in the Wagner-O'Day Act program. NIB's objective is to support any move which will extend the benefits of government business to non-blind sheltered workshops assuming, at the same time, that this will in no way compromise the position and respect which blind persons have attained as a government supplier following more than thirty years of concentrated effort to establish reliable production capabilities within the group of shops associated with NIB.

The proposal to amend the Wagner-O'Day Act did not initiate with NIB or its associated shops. However, when representatives of such national organizations as Goodwill Industries of America and the International Association of Rehabilitation Facilities first approached representatives of workshops for the blind regarding possible broadening of the Wagner-O'Day Act, the agencies for the blind reacted with reason and an obvious desire to be constructively helpful. Since then, NIB has cooperated with management of non-blind agencies in an effort to evolve an amendment that would preserve the priority position of blind workers and still provide access to government business for the non-blind shops.

There is ample precedent for a system of priorities in the allocation of orders, since workshops for the blind have had a second priority position with respect to Federal Prison Industries for the 32 years since the Wagner-O'Day Act was first passed. Out of consideration for the prison workshop system which was already manufacturing products for the government in 1938, the leaders from agencies for the blind quickly conceded that Federal Prisons were entitled to a preferential position in the sale of products which might also be subsequently made by workshops for the blind. As a consequence, workshops for the blind have never received government orders for products made by Federal Prison Industries unless FPI has first issued a "clearance" to the buying agency authorizing that agency to place orders through NIB.

Fundamental to NIB's support of the presently proposed amendment is the presumption that workshops for the blind will have a first priority for government business over the non-blind shops. It is evident that this will have little effect on the shops serving non-blind handicapped persons since they have a far wider range of production capabilities than does a shop which employs sightless persons. The limitations of blindness greatly curtail the range of products which can be produced and, therefore, the continued priority position of the blind shops need not seriously restrict the volume of business which the other shops can obtain.

In meetings with officials of major agencies which serve non-blind handicapped, the concept of continued priority for the blind was mutually agreed upon. Based on this understanding, NIB has provided ready support for the amendment submitted by Senator Javits. It has also recognized that this amendment provides an excellent opportunity to update the 1938 law in terms of the Federal establishment of 1970. This is evidenced by the portions of the amendment which provide for the addition of new representation on the Committee on Purchases of Blind-Made Products.

Not only have the purchasing policies and procedures of the Federal establishment changed materially over the past 32 years, but this period has also witnessed the creation of new departments and agencies, representation of which on the Committee should be mentioned in the Statute. Among these are the Departments of Defense; Health, Education and Welfare and the General Services Administration. NIB feels that all of the additions proposed in Committee membership would materially strengthen the Committee.

NIB also strongly supports the new wording which will provide for participation in the program by agencies for the handicapped located in certain territories beyond the continental United States. The language of the Javits amendment is consistent with that generally used in the vocational rehabilitation field and there are already several agencies for the blind which aspire to government contracts under the proposed amendment provisions.

NIB believes it is important that the benefits of the Wagner-O'Day Act be reserved for those agencies which serve the severely handicapped. Private industry is increasingly successful in its efforts to provide job opportunities for handicapped persons. The vocational rehabilitation program

is also constantly strengthening its placement programs. The net result is a movement of more qualified handicapped persons into private industry and a concomitant increase in the number and percentage of severely and multi-handicapped persons in sheltered workshops. This segment of our population is in dire need of an employment experience and the availability of government business can do much to help provide such employment. Therefore, it is essential that the sheltered workshops participating in this program be designed primarily to serve those who are, in fact, severely handicapped.

The level of government sales of blind-made products approximates $20 million per year. Under the present regulations (and ever since the Wagner-O'Day Act was first passed) NIB is responsible for the allocation of all government business among the participating shops. NIB has also undertaken certain other administrative duties at the request of the Committee on Purchases of Blind-Made Products. As a result, NIB has acquired extensive working knowledge of the administrative complexities of the program.

If the proposed amendment is passed by the Congress, it will undoubtedly result in further growth of the volume of business transacted. This will increase the administrative burden of the program. In the interests of clarifying the specific responsibilities of the Committee on Purchases of Blind-Made Products, NIB respectfully suggests to the Sub-Committee several changes and additions to the wording of the amendment as originally submitted by Senator Javits. A copy of the Javits amendment with these changes added is attached hereto and made a part of this Statement. It is the opinion of NIB that the changes do not alter the substance of the Javits amendment but rather amplify the role of the Committee, which should simplify the administration of the program in the years ahead.

Some comments regarding the nature of the program in the past might be helpful to the Sub-Committee. First and foremost, it should be noted that approximately 4,500 blind persons are presently benefitting from this fine law. These persons represent about 86% of the direct labor in the participating shops. This is a comfortable margin over the 75% blind labor required by the regulations.

Although the initial blind-made products supplied to the government in 1938 were the types of products then characteristically identified with blind persons, with the help of the Wagner-O'Day Act, the participating shops have subsequently broadened their product lines to the direct benefit of the blind participants. Hence, blind persons who were originally limited to manufacturing products such as brooms, mops and simple textile items, today produce such random commodities as bayonet scabbards, automotive safety belts, clip boards, box springs and mattresses, ball point pens, neckties and oil analysis kits. These newer products enable the handicapped worker to learn skills which make him more "placeable" in private industry. The move toward products involving semi-automation has also helped blind workers realize greater earnings as the machines tend to compensate in many instances for the limitations of blindness. The net result is that this program has produced tax payers of persons who, in many instances, were previously tax consumers. Through this legislation the "hard core" of the

handicapped have been afforded an opportunity to become self-sufficient.

Workshops for the blind quickly learned that government business can be unpredictable and cyclical. As a recent example, it may be noted that government allocations in Fiscal Year 1970 were about $14 million -- almost $4 million less than the preceding year.

In an effort to avoid over-dependence of the participating shops upon the Federal government, the role of National Industries for the Blind has been extended through the past 32 years far beyond the immediate responsibility of allocating government orders. Consequently, NIB now contains a consumer marketing division as well as a government marketing division. The goal of the former is to generate a balance of markets which will provide continuity of employment for blind persons working in the associated shops. Many of the shops also have their own independent consumer sales programs and a substantial number are involved in sub-contract work for private industry. All of these programs are predicated upon the use of piece rates, wherever possible. Rates paid are commensurate with those used in private industry. Since handicapped workers are, in some instances, less productive than their sighted counterparts, the average hourly earnings of the blind may fall below those experienced in regular industry.

In addition to activities in the marketing of blind-made products, NIB also has an Operations Division which provides consultation and technical assistance to its associated shops. In this division are engineers and specialists in such other areas as quality assurance, purchasing, research and development, production management and freight. It is assumed that comparable services will eventually have to be provided by some source to the non-blind workshops which participate in the amended program.

Staff requirements to support the Committee on Purchases of Blind-Made Products can also be expected to increase. In the past, these requirements have been met on a contributory basis by some of the Federal departments affected by the blind-made purchasing program. In all likelihood, under the amended law, the Committee will need a more steady source of staff assistance. Based on past experience, it would seem desirable for the amended law to provide for a small paid staff. It is also suggested that this staff be empowered to hire technical consultants from time to time who might have special knowledge regarding new products contemplated for addition to the Schedule.

NIB looks back over the past 32 years with a strong feeling of indebtedness to the Congress for its wisdom in providing this valuable outlet for blind-made products. NIB now looks forward with eager anticipation to the further strengthening of the law and the extension of its benefits to non-blind shops.

It is understood that Ballerina Pen Company, of Brooklyn, N. Y., has asked for an opportunity to testify before this Sub-Committee. Since NIB is presently in litigation with Ballerina as a result of that company's opposition to the sale of blind-made ball point pens to the Federal government, NIB

assumes that Ballerina will oppose enactment of the Javits amendment. Since we have no way of knowing what statements may be made by Ballerina's representatives, NIB requests an opportunity to rebut any statements by Ballerina which may be inaccurate or unfairly critical.

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ROG/bvp

91st CONGRESS
2d Session

S. 3 4 2 5

IN THE SENATE OF THE UNITED STATES

February 10, 1970

Mr. Javits (for himself, Mr. Magnuson, and Mr. Randolph) introduced the following bill; which was read twice and referred to the Committee on Commerce

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A B I L L

To amend the Wagner-O'Day Act to extend the provisions thereof to severely handicapped individuals who are not blind, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to create a Committee on Purchase of Blind-Made Products, and for other purposes", approved June 25, 1938 (52 Stat. 1196; 41 U.S.C. 46-48), is amended by striking out all after the enacting clause and inserting in lieu of the matter stricken the following:

"SEC. 1. [That] There is hereby created a Committee to be known as the Committee for Purchase of Products

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Note - Omitted matter is indicated between brackets - i.e., [....] New matter has been underlined.

and Services of the Blind and Other Severely Handicapped (hereinafter referred to as the 'Committee') to be composed of two private citizens conversant with the problems incident to the employment of blind and other severely handicapped individuals and a representative of each of the following Government Departments or agencies: The Department of Agriculture, the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Health, Education, and Welfare, the Department of Commerce, the Department of the Interior, the Department of Justice, the Department of Labor, and the General Services Administration. The members of the Committee shall be appointed by the President, shall serve without additional compensation, and shall designate one of their number to be Chairman.

"SEC. 2. (a) It shall be the duty of the Committee to determine the fair market [value of all brooms and mops and other suitable commodities produced and offered for sale by, and services offered by, blind and other severely handicapped individuals] price of all suitable

commodities and services produced by blind and/or other severely handicapped individuals and offered for sale to the Federal Government from time to time by any nonprofit agency for the blind and/or other severely handicapped, organized under the laws of the United States or of any State, to revise such prices from time to time in accordance with changing market conditions; and to make such rules and regulations regarding the criteria to be taken into account by the Committee in determining whether a commodity or service is 'suitable' for inclusion in the Schedule of Commodities and Services offered for sale to the Federal Government by nonprofit agencies for the blind and/or for other severely handicapped individuals; the percentages of total hours of employment of blind and/or other severely handicapped individuals engaged in the direct labor of manufacturing, assembling or handling of commodities or performance of services which shall be requisite for commodities or services to be considered as being 'produced by blind and/or other severely handicapped individuals,' or for a nonprofit agency to be considered to be 'a

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nonprofit agency for the blind and/or other severely handicapped;' specifications, time of delivery[,]; authorization of a central nonprofit agency or agencies to facilitate the distribution of orders among the agencies for the blind and other severely handicapped, whether by direct allocation or by subcontract, or otherwise; and other relevant matters [of procedure] as shall be necessary to carry out the purposes of this Act: [Provided, That no change in price shall become effective prior to the expiration of fifteen days from the date on which such change is made by the Committee.]

"(b) In making determinations as to whether particular commodities or services are produced by blind and/or other severely handicapped individuals and other relevant matters as shall be necessary to carry out the purposes of this Act, it shall be sufficient for the Committee to rely on such studies, reports or other documents submitted by any central nonprofit agency designated hereunder, as the Committee may deem adequate for such purposes, but the Committee

may consider such other data as may be available to it.

[(b) Rules and regulations of the Committee shall provide that,]

(c) In the purchase by the Government of commodities produced and offered for sale by nonprofit agencies for the blind and/or other severely handicapped, priority shall be accorded to such commodities produced and offered for sale by nonprofit agencies for the blind, and [that] in the purchase by the Government of services offered for sale by nonprofit agencies for [by] the blind and other severely handicapped, priority shall, until the close of June 30, 1976 [5], be accorded to services offered for sale by nonprofit agencies for [by] the blind.

"SEC. 3. All [brooms and mops and other suitable] commodities and services hereafter procured in accordance with applicable [Federal] specifications by or for any Federal department or agency shall be procured from such nonprofit agencies for the blind and/or other severely handicapped in all cases where such commodities [articles] or services are available within the period

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specified at the price determined by the Committee to be the fair market price for the [article or articles] commodity or service[s] so procured: Provided, That this Act shall not apply in any cases where [brooms and mops and other suitable] commodities [and] or services are available for procurement from [any Federal department or agency] The Department of Justice, Federal Prison Industries, and procurement therefrom is required under the provisions of any law in effect on the date of enactment of this Act, [,or in cases where brooms and mops and other suitable commodities and services are procured for use outside any state.]

"SEC. 4. For purposes of this Act -

"(a) the term 'severely handicapped' means an individual or class of individuals who is under a physical or mental disability which constitutes a substantial handicap to employment and is of such a nature as to prevent the individual under such disability from currently engaging in normal competitive employment; and

"(b) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, Canal Zone, and the Trust Territory of the Pacific Islands.[']

"SEC. [2] 5. The amendments made by [the first section of] this Act shall take effect on the first day of the ninth month following the month in which this Act is enacted."

DEPARTMENT OF STATE,
Washington, September 17, 1937.

Hon. BURTON K. WHEELER,
Chairman, Committee on Interstate Commerce,
U.S. Senate.

MY DEAR SENATOR WHEELER: I acknowledge the receipt of your letter of August 4, 1937, enclosing a copy of the bill S. 2819 introduced in the Senate on July 22, 1937, and requesting my comments upon this proposed legislation.

The present language of bill S. 2819 would make it apply to purchases of brooms and mops by this Department for use in its 346 diplomatic and consular offices abroad. This would not be in the interests of the Government because in most cases the cost of the shipment of these articles to foreign countries would be in excess of their cost purchased locally in the countries where our offices are located. The bill would, however, be unobjectionable to this Department if amended by changing the period at the end of Section 3 to a comma and adding the language "or in cases where brooms and mops are procured for use outside continental United States".

Sincerely yours,

CORDELL HULL.

STATEMENT OF CARL A. MORRING, JR., BOARD MEMBER, NATIONAL EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS, ACCOMPANIED BY MISS JAYNE SHOVER, ASSOCIATE DIRECTOR

Mr. MORRING. Thank you, Mr. Chairman.

Senator RANDOLPH. Who accompanies you this morning, Mr. Morring?

Mr. MORRING. I am pleased to have with me Miss Jayne Shover, Associate Director of the National Easter Seal Society for Crippled Children and Adults.

A current examination of the timepieces available indicates to me that the 10 minutes which was allocated to me at the time of permitting me to appear here has not been adhered to by prior witnesses in the course of the morning. We will attempt to do so, sir.

Being keenly aware of the compassion which has been displayed by the Senator over a long period of years for the blind and for the severely handicapped, we wish first of all to express our appreciation for the same before being more formal in the presentation of the documentation.

Mr. Chairman and members of the Special Committee on the Handicapped of the Senate Committee on Labor and Public Welfare, it is more than 50 years since the National Easter Seal Society for Crippled Children and Adults was established, the voluntary health organization I represent as a former president, as a current member of the board of directors, and the Alabama Easter Seal affiliate, which is deeply involved in the operation of workshops.

We were then—and are still today—concerned with the opportunities our 1,400 nationwide societies can offer to make the lives of disabled persons more meaningful. Serving one-quarter million physically handicapped children and adults annually, we are providing diversified programs in the physical restoration, education, recreation, and vocational areas.

I would like to discuss one aspect of these many activities, relevant to the legislative proposals now under consideration by your committee—the workshops for handicapped persons operated by Easter Seal

societies. In addition, I shall comment on the significance of workshops in the rehabilitation process and the significance of the Wagner-O'Day amendments that would extend Government contracts, including services as well as products, to nonprofit workshops serving the handicapped.

Originally, our societies emphasized physical restoration through physical, occupational, and speech therapy; special education programs; recreation; and social services. Efforts at rehabilitating our clients using the above techniques were only partially successful with the more severely disabled—cerebral palsied persons; polio, heart, and stroke victims; and persons with spinal cord injuries incurred as a result of accidents and war injuries.

VOCATIONAL PREPARATION

We found that the time, professional skills, and funds, plus the energy expended by our patients in achieving physical restoration failed to prepare them to enter the work world. What our programs lacked were vocational preparation and occupational training to enable severely physically and psychologically restored persons to become productive and partly or fully self-supporting.

We realized that our culture is work oriented, that society tends to equate a productive person with employment success, that work bestows self-respect, dignity, economic independence, and an identity, and that work is an important element in every human being's experience. From an economic point of view, vocational services are a means of alleviating dependency and reducing high welfare costs.

As the largest voluntary health-service agency in the country, Easter Seal societies gradually established a series of workshops throughout the country that now serve 13,000 persons in workshops—persons who suffer from over 25 different types of disabilities, including muscular dystrophy, multiple sclerosis, mental retardation, speech and hearing disorders, minimal brain dysfunction, industrial injuries, and epilepsy.

For many of our patients, work-therapy programs offer a unique resource which enables them to prepare for competitive employment. Trained personnel with rehabilitation expertise help patients develop attitudes and behavior necessary for employment in industry.

Our workshops also furnish occupational training for patients who are ready and able to learn a skill. For those who are so disabled physically, or so damaged psychologically, by their handicapping conditions that they are not employable in industry, the workshop provides a haven in which the most severely disabled can be made to feel productive.

The significance of the numbers served in workshop programs is greater than appears from the "13,000" figure mentioned, for each year a sizable number become employed and are replaced by other severely disabled persons. For all of these patients, the workshop is a necessary step in the process of rehabilitation.

The development of Easter Seal workshops has been slow and difficult. Thousands of other patients whom we serve could benefit from this service. This conclusion is verified by the findings of over 50 community studies we conducted during the past several years. In each of these studies, the absence of a workshop in the community was cited as a serious lack in the rehabilitation services provided.

Government efforts to encourage the expansion of workshops through financial incentives have not been outstanding. This has been alluded to in prior testimony. I wish I had time to enlarge upon it a little bit.

Senator RANDOLPH. Go right ahead.

Mr. MORRING. I have reference to the Rehabilitation Act and its amendments last year, which were quite ambitious on their face. When it came to the matter of appropriations to back up the amendments, we haven't been aware, at least, of the funding which might have been contemplated by the amendments, which were very good and very well intended.

We found that despite the assistance provided through Federal grants for the construction and staffing of workshops, we were unable to develop such programs because of our inability to secure adequate contracts. For, to be an effective rehabilitation tool, a workshop requires long-term, stable contracts which make use of a variety of skills and occupations.

The most crucial limitation in the expansion of workshops is the inability to obtain sufficient numbers and varieties of contracts from the private sector.

Through a Federal grant from the Rehabilitation Services Administration, the Easter Seal society engaged in a 3-year study of contract procurement practices. Surveying 35 workshops, our findings showed that one of the most important problems facing workshops engaged in contract work is that of obtaining sufficient work to keep their handicapped clients employed. Work is the means by which the workshop accomplishes its objectives, and the inability to provide continuous and meaningful employment defeats the very purpose of the workshop existence. Lack of work results in patients being furloughed or given meaningless tasks. Both alternatives are detrimental to rehabilitation goals.

SOLICITING CONTRACTS

The study also indicated that too much of the total staff effort was devoted to the solicitation of contracts.

A major part of the problem of securing contract work is the pricing of and bidding for project jobs. With the growth of sheltered workshops in recent years, competition for contracts has become intensified. Even workshops that have had comparatively successful contract procurement programs are now finding it increasingly difficult to maintain their current level of production. During periods of declining business, such as we are now experiencing, contract procurement problems are exacerbated.

I should like to draw to your attention the ways in which the enactment of the Wagner-O'Day proposals would be a great stimulus to the effectiveness of the workshop movement:

A greater number of patients would be accommodated in existing workshops. Studies conducted by the National Association of Sheltered Workshops indicate that "up to 50 percent more persons could be served in existing facilities if additional work were provided to them." Some people venture this could be as much as a 66⅔-percent increase.

An even flow of work would result from the passage of the amendments.

Increased opportunities for securing contracts would make accessible a greater variety of work than has been possible through the private sector.

Improved services to handicapped persons would be possible through better scheduling of production.

Through the addition of contracts for services, workshops could further diversify the number of training programs and the types of persons served.

Government contracts would make it possible to establish workshops in rural communities which lack an industrial base and thus serve many isolated severely handicapped persons.

Government procedure would help to assure a fair and equitable pricing structure. Presently there is a tendency to contract from industry at the lowest possible price. Because of the need for a continuous source of work, some workshops accept marginal contracts, which result in marginal payments to handicapped persons.

Sharing our concern is another agency, the National Association for Retarded Children, which operates many workshops for the mentally retarded. It is hoped that some arrangement has been made to obtain their viewpoints on this problem.

We are greatly assisted by the Federal program of the Rehabilitation Services Administration, which helps finance construction and staffing of workshop facilities and reimburse the costs for work evaluation, work adjustment, and occupational training. The Wagner-O'Day amendments would make this valuable assistance truly effective by helping to provide the basic component without which workshops cannot operate—the provision of work to the disabled.

Thank you very much for your time and attention. It is a pleasure to be here today, sir.

Senator RANDOLPH. Thank you very much, Mr. Morring.

Is there a statement you would like to make?

Miss SHOVER. I think not, Senator. I think Mr. Morring has covered it adequately. Thank you.

Senator RANDOLPH. The contract procurement problem, which you spoke of, is one matter that worries me. Would you say something more about it?

Mr. MORRING. The contract procurement is a matter that the administrator in a sheltered workshop must concern himself with if he is to continue the operation of his shop.

In my State we have—and I believe I am correct in saying this—at least 10 of these shops. And I have been in most of them. It is a constant struggle.

In my particular community, which is Huntsville, Ala., as you know, we have had the space agencies. This has been referred to today in some of this testimony.

We do have some contract work that is very helpful to that shop. We have been able to maintain this very well.

In the more rural areas, where there is not a strong industrial base, though, this is truly a problem.

Senator RANDOLPH. You don't have a workshop at the space center, do you?

Mr. MORRING. No, sir; it is removed from the space center. It is in the community and was constructed through the use of Hill-Burton, Public Law 565, and privately raised funds, a combination.

Senator RANDOLPH. Is it more in the city of Huntsville or out at the center?

Mr. MORRING. It is in the city limits, sir.

Senator RANDOLPH. Of course, you have that large reservoir of visitors coming to that area to look at the installation. Do they in any way come in contact with the work of the workshop?

Mr. MORRING. Those who have been at the Space Science Museum more than likely would not. But those who come without reference to the museum and in connection with the installation, the space flight center, many of them do, yes.

Senator RANDOLPH. Thank you very much.

Mr. MORRING. Thank you for the time, sir.

Senator RANDOLPH. Now if the panel will please come to the witness table, we will hear from them.

STATEMENTS OF MICHAEL M. GALAZAN, LEGISLATIVE CHAIRMAN, INTERNATIONAL ASSOCIATION OF REHABILITATION FACILITIES, MILWAUKEE, WIS.; ALBERT P. CALLI, EXECUTIVE DIRECTOR, EASTER SEAL/GOODWILL INDUSTRIES REHABILITATION CENTER, NEW HAVEN, CONN.; FRANK L. TAYLOR, JR., SECRETARY, GOODWILL INDUSTRIES OF AMERICA, CHARLESTON, W. VA.; AND EMILY LAMBORN, DIRECTOR OF STATE-FEDERAL RELATIONS, NATIONAL REHABILITATION ASSOCIATION, WASHINGTON, D.C., COMPRISING A PANEL

Senator RANDOLPH. Mr. Galazan, are you going to lead in the testimony? We will do it as you desire.

Mr. GALAZAN. Why don't we just go down the list that you have, if that is satisfactory with you.

Senator RANDOLPH. I would rather have Emily come first, frankly.

Mr. GALAZAN. I would just as soon have Emily come first.

Emily, would you please start off?

Mrs. LAMBORN. I am Emily Lamborn of the National Rehabilitation Association.

The National Rehabilitation Association supports S. 2461, the Randolph-Sheppard amendments of 1970, and S. 3425, the Wagner-O'Day amendments for 1970.

I think so much has been said about the advantages of the Randolph-Sheppard Act, I won't repeat them here. Some of the problems have been touched upon, too. It is true that the changes in the vending-stand business, in the vending operations, really can nullify the preferences given by the act unless some of the changes such as those in this bill are put into effect.

I would like to call particular attention to the provision which has a requirement for providing suitable sites for the location and operation of the vending facilities. In the new space, I think, this would be both helpful in facilitating installation of facilities and in multiplying the number of them.

As far as the technical amendments are concerned, I will only say that we feel strongly about the right of an individual to have an appeal. And that should be protected. I think that is in the amendments, too.

The United Cerebral Palsy Association of America is joining the National Rehabilitation Association in presenting testimony on the Wagner-O'Day amendments of 1970. The United Cerebral Palsy Association is an organization very important in the disability field, and they hoped to be personally represented here today. But they found that impossible.

The purposes of the Wagner-O'Day amendments are good, and we support them. There are so many thousands of severely disabled people in sheltered workshops, and some are there for evaluation of their work potential, others for training, and others are there in productive work for a long time. Now many will be placed in competitive employment, but others will need this sheltered employment for some time.

Senator RANDOLPH. Emily, do you like the use of the word "shelter"?

Mrs. LAMBORN. Not particularly.

Senator RANDOLPH. I never have felt that was the best word, and I have wondered what other word could be used. And that is difficult.

Mrs. LAMBORN. Maybe you had better just drop it and call it "workshops." I don't suppose any term is really very descriptive, because although the workshops are places of production, there is so much emphasis on the evaluation of what a person can do and so much emphasis on training in workshops nowadays that I am not sure what is completely descriptive.

Of course, the Association for Sheltered Workshops and the Rehabilitation Centers Association merged, you know, and they are calling them all "rehabilitation facilities."

At any rate, we feel that when the Wagner-O'Day Act was passed in 1938, it did recognize the need for finding good outlets for the shops and good productive work for them to do. At that time, of course, there were not very many workshops that were capable of producing the items the Government would be interested in buying. And most of them were workshops for the blind. Now this would not be true.

There are now many workshops which serve the disabled who are not blind, and we therefore agree that it is time to open up the opportunities under the Wagner-O'Day Act to these other severely disabled people. We do not object to the provision which would give priority for the blind for a limited number of years. But we do have certain suggestions we would like to make, Mr. Chairman, about this bill.

The bill defines the term "severely handicapped," but it is silent on who is responsible for determining that an individual is severely handicapped.

Now there are several possibilities here. But I think it is interesting to note that the State vocational-rehabilitation agencies, both those serving the blind and those that are serving other disabled people, make comparable determinations for a number of other programs. They make disability determinations for the Social Security Administration, and they make certifications to the Department of Labor regarding disability and the minimum wage law.

Although we don't know what the official policy on this would be, we feel that the State vocational-rehabilitation agencies could make some of the certifications under the Wagner-O'Day Act.

Second, there have been some questions recently raised by the courts on the authority of the National Industries for the Blind, which has served as the operating arm for the Committee on the Purchase of Blind-Made Products.

We feel it might be well to spell out in the bill such matters as the authority of the Committee for the Purchase of Products and Services of the Blind and Other Severely Handicapped to delegate to a suitable agency the day-to-day responsibilities for conducting operations under the act. Sufficient authority, of course, should be delegated to enable the organization to carry on businesslike operations, but the agent organization should be responsible to the committee for the conduct of these operations. The committee should continue to establish broad policies. Then the agent would take care of details and feasibility studies and other activities, such as those Mr. Goodpasture mentioned this morning as examples.

Now, since workshops have long made a variety of products other than mops and brooms, we also support the testimony which indicates that the definition should be brought up to date and made more general, because kinds of products change from time to time.

Now there are certain standards for workshops which we feel should be built into the bill. We are thinking of such standards as health and safety standards, and architectural barriers. And we think it would be well to put in some provision which would either incorporate standards in the bill or do it through accrediting agencies so that these things would be taken care of in the workshops that were participating.

Senator RANDOLPH. I like your stress at this point. We discussed it yesterday with other witnesses, and it is something that needs to be done. And it can be done.

We are thinking even in this Committee on Public Works in reference to a subway that often there is the opportunity and the very real need to think in terms of the blind and handicapped to use those facilities, the entrances and so forth. So this is a matter more than one committee in the Senate will have to address itself to.

Mrs. LAMBORN. The only other thing I wanted to say was that we also feel it is important to provide specifically for appeals and judicial review. There are so many interests involved in this whole ramification that we feel it would be a very good thing to provide for something like that in the act itself.

Senator RANDOLPH. Thank you very much, Mrs. Lamborn.

(The statement of the National Rehabilitation Association follows:)

TESTIMONY OF THE NATIONAL REHABILITATION ASSOCIATION BEFORE THE SPECIAL SUB-COMMITTEE ON EMPLOYMENT OF HANDICAPPED WORKERS OF THE SENATE LABOR AND PUBLIC WELFARE COMMITTEE ON S.2461, THE RANDOLPH-SHEPPARD ACT AMENDMENTS OF 1970, AND S. 3425, THE WAGNER-O'DAY ACT AMENDMENTS OF 1970

July 10, 1970

RANDOLPH-SHEPPARD ACT AMENDMENTS

Mr. Chairman, the National Rehabilitation Association supports S.2461, the Randolph-Sheppard Act Amendments of 1970, and S.3425, the Wagner-O'Day Amendments of 1970.

The Randolph-Sheppard Act of 1936, in which you took leadership, Mr. Chairman, when you were a member of the House of Representatives, was landmark legislation. It opened up business and employment opportunities for the blind throughout the country. Today, there are several thousands of licensed blind operators of vending stands in Federal buildings or other property conducting successful enterprises.

There are, however, some problems which need to be resolved. First and foremost is the changed character of the vending business since the 1930's, particularly the changes in recent years. We have all become accustomed to automatic vending machines which dispense packaged food and other goods and fill cups with coffee or other beverages, but have we considered the impact of this on the income of blind vending stand operators?

The preference given the blind by the licensing provisions of the Act can be nullified by the installation of vending machines on the same property. The protection of the income of the blind operators is eroded.

S.2461 would amend the 1936 Act so that it would be in keeping with today's realities. In authorizing vending facilities on Federal property, preference would be given, with appropriate safeguards, to blind individuals licensed by State licensing agencies.

Another important provision of S.2461 is the requirement for providing suitable sites for the location and operation of vending facilities by the blind in new space constructed or renovated for the use of a Federal department, agency or instrumentability. This requirement would greatly facilitate the installation of a new vending facility on the property and greatly expand the opportunities for additional vending facilities. The provision for consultation with the State licensing agency will ensure that its expertise is relied upon in determining whether or not the site is satisfactory for the purpose.

S.2461 contains some technical amendments designed to improve the operation of the program or to remove limitations. For example, age and residence requirements for licensing operators are removed and so are restrictions, if applicable health laws are met, on the on-site preparation of foods, beverages and goods to be sold. These seem desirable changes as does the provision for judicial review. We feel strongly that the right of an individual to appeal should be protected.

We hope that the Committee will report favorably on this bill.

WAGNER-O'DAY ACT AMENDMENTS

The United Cerebral Palsy Association of America joins the National Rehabilitation Association in presenting our testimony on S.3425, the Wagner-O'Day Act Amendments of 1970. The United Cerebral Palsy Association of America, an organization important in the disability spectrum, had hoped to be personally represented here today, but found that impossible.

S.3425 would extend the provisions of the Wagner-O'Day Act of 1938 to severely handicapped individuals who are not blind. The purpose of this bill is good and we support it.

There are many thousands of severely disabled people in sheltered workshops. Some are there for evaluation of their work potential and for adjustment services. Some are in training. Others are engaged in productive work. Many will be trained and placed in competitive employment but others will need sheltered employment for an indefinite period of time.

Sheltered workshops need sales outlets for their products and services in order to earn the funds for their production operations. It is their production operations which afford both their employment opportunities for disabled people and the provision of training in a work setting.

In 1938, the Wagner-O'Day Act recognized this need and authorized mechanisms under which the products of workshops for the blind could be produced and marketed in an orderly way to meet the demands of governmental agencies for such products. In 1938, there were not many workshops producing or capable of producing items the government was interested in buying, except the workshops

for the blind. That is no longer true. There are now many workshops serving the severely disabled who are not blind. We think it is time to open up the opportunities under the Wagner-O'Day Act to these other severely disabled people. We do not, however, object to the provisions in S.3425 which would give priority to the products offered for sale by the blind for a limited number of years.

There are, however, certain suggestions we would like to make to improve and strengthen the bill.

1. The bill defines the term "severely handicapped", but is silent on who is responsible for determining that an individual is severely handicapped. There are several possibilities, but I want to point out that State vocational rehabilitation agencies, both those serving the blind and those serving other disabled people, make comparable determinations for a number of other programs. For example, they make disability determinations for the Social Security Administration and they make certifications regarding disability exceptions to the minimum wage law to the Department of Labor. Although we do not know what their official policy on this would be, we feel that State vocational rehabilitation agencies could make similar certifications under the Wagner-O'Day Act.

2. Since questions have recently been raised by the courts as to the authority of the National Industries for the Blind which has served as the operating arm for the Committee on Purchase of Blind-Made Products, we feel it would be well to spell out in S.3425 such matters as the authority of the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped to delegate to such a suitable agency the day-to-day responsibilities

for conducting operations under the Act. Sufficient authority should be delegated to enable the organization to carry out a business-like operation, but the agent organization should be responsible to the Committee for the conduct of the operations. The Committee should establish broad policies; the agent should worry about the details and conduct feasibility and other studies where advisable.

3. Since workshops - both those for the blind and other workshops for the disabled - have long made a wide variety of products, and mops and brooms are no longer the typical product, we feel it would be well to drop the specific references to those items. More suitable terminology would be simply "suitable commodities and services" or "suitable goods and services". The terminology should be such that it is clear that what is considered suitable today or tomorrow is judged by the standards of today and tomorrow and not those of yesterday.

4. There are certain standards for workshops which should be built into the bill for participation under its provisions. We are thinking of such standards as health and safety standards, architectural barriers and so on. There are many ways to do this. Specific standards could be built in or accreditation by one of the accrediting agencies in the field could be provided for. The latter is probably more practical.

5. We feel this Committee may also want to provide specifically for appeals and judicial review of action taken by the Committee for Purchase of Products and Services of the Blind and other Severely Handicapped or its agent. There are indeed areas in which there can be decisions which affect competing

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interests and orderly procedures should be provided for their resolution.

Mr. Chairman, I appreciate this opportunity to present our views. We feel that S.3425, strengthened and improved, can provide an excellent means for opening new economic opportunities for the handicapped.

Senator RANDOLPH. Who is next?

Frank Taylor, I am glad you are here today.

Mr. TAYLOR. Mr. Chairman, I deem it a privilege to testify before this subcommittee.

As a member of the board of directors of the Charleston, W. Va., Goodwill Industries, I express to you the appreciation of the handicapped, disabled, and disadvantaged in West Virginia for your long record of leadership in the U.S. Senate on behalf of the cause of rehabilitation.

We acquired just last week a new building for your local Goodwill Industries through the assistance of funds made possible under legislation—Vocational Rehabilitation Amendments of 1965—which you supported.

As Secretary of Goodwill Industries of America, I am this morning expressing the appreciation of thousands of handicapped, disabled, and disadvantaged served by 143 local Goodwill Industries located all across the United States for your dedicated leadership as a member of the Labor and Public Welfare Committee. We wish to pay tribute to the contribution of the entire Committee on Labor and Public Welfare to the cause of rehabilitation.

I am grateful for the opportunity to speak to your Subcommittee on Employment of Handicapped Workers and testify as to the great need for S. 3425. Senator Javits, you, and the other sponsors of this bill are due once more the appreciation of everyone interested in affording the handicapped people of this Nation a chance to achieve the highest potential of which they are capable and to take their rightful place in our society.

For a long time the Board of Directors of Goodwill Industries of America has been anxious to see the provisions of the Wagner-O'Day Act extended to include not only the blind but other severe disabilities which should also have its benefits.

We recognize the years of dedicated service rendered to the blind by the American Association of Workers for the Blind, the American Federation for the Blind, the American Foundation for the Blind, and the National Industries for the Blind. This is why we are on record as supporting the present language of S. 3425, which continues to give the blind a favored position. And, Mr. Chairman, we pay tribute once again to your long record of service to the blind.

The Randolph-Shepherd Act is an outstanding milepost in providing needed services to the blind.

Goodwill Industries has served for 70 years all types and degrees of handicapped people. It is out of this experience we ask your subcommittee to report favorably S. 3425. We hope the Congress can enact it into law before the end of this session.

The Wagner-O'Day Act has for 32 years been a successful piece of legislation. From the humble beginnings in 1938, when 1,300 blind workers manufactured about $200,000 worth of goods for the Government, it has grown to about 6,000 who produce several million dollars worth of goods for the Government annually.

While this has become a steady, dependable source of supply to the Government, more than anything else it has produced work for the blind, work which would not be available to them otherwise and which

has provided a source of income and has prepared them for work opportunities in the competitive labor market outside the workshops for the blind.

PRODUCTION RECORD DEMONSTRATED

Much of the present acceptance of blind and other disabled workers by business today has been due in a large measure to the demonstrated record of production set by this Government work under the Wagner-O'Day legislation.

Of course, there are those who will say business should have employed the blind without this demonstration of production ability in a workshop. But this is to forget the days when jobs were almost nonexistent for the blind.

Senator RANDOLPH. At that point, Frank, I would like to say there were those who have said that we should never have passed the Rural Electrification Act. I remember when we worked on that in the House of Representatives, and I was there so many, many years ago.

The private utilities gave testimony that this would be in direct competition with the private utilities sector of our society. I am sure they were convinced that was true.

Yet we brought the rural electrification program into America; we took it out of the congested areas of the city and spread its benefits through a cooperative-type effort to the countryside and small towns.

Then later the private utility companies themselves realized that they needed the stimulant, and that is what it was, because the return was greater, of course, in metropolitan areas; in a less-populated area it was not as good, so they were reluctant to streamline into the rural area.

Here Congress stepped in, as it must step in from time to time, and not to the detriment of business, but certainly to give business the opportunity to realize that although there is this stimulant through a program of grants or of loans, that it points the way.

I give this as an illustration because we were an unlighted America, really, in the countryside, until the Rural Electrification Act brought the private utilities into their responsibility, which now they recognize they should have shared at an earlier period than they did.

Mr. FRANK TAYLOR. Yes, Senator; and in the context that we are addressing ourselves to the problem before the subcommittee now, people simply need an opportunity.

We feel, despite their handicaps—and all of us have some kind of handicap—people can produce when they are given the opportunity, and this, of course, is the thrust of Wagner-O'Day, and the amendments which pend before you today will give it even greater thrust, it seems to me.

However, with the improved acceptance of the blind and disabled by employers, the role of the workshop has changed.

We have shown in Goodwill that a workshop need not be the end of the road, but rather the point of beginning for evaluation and training services which make a handicapped person ready for regular employ-

ment. And we don't keep them after the level of productivity for competitive employment is reached. We place them.

Senator RANDOLPH. Do you agree that the handicapped do not want handouts, they desire only helping hands? Isn't that true?

Mr. FRANK TAYLOR. Yes, sir; not charity, but a chance.

This is the philosophy of Goodwill, and I think really it is the philosophy of all persons who are directly related with this enterprise which we represent.

Last year we served some 50,000 handicapped persons in many ways. Some of them received medical and therapeutic services in the initial stages of rehabilitation. Others received evaluation, work adjustment, and various types of training. As a result, 6,591 persons were placed in outside employment; 8,366 persons, unable to be placed at the time, received extended employment.

Goodwill-type workshops serve a dual role—they provide the short-term services needed to prepare the handicapped for regular employment—they also provide extended employment to those yet unready for graduation. Many in the latter category are among the most severly disabled.

We recognize that there are those today who say that only those persons able to earn $1.60 an hour should be allowed to work in any place. They say, "Who can live on less than $1.60 an hour?"

OPPORTUNITY TO WORK

This confuses the real issue, which is, should a person be denied the opportunity to produce to the limit of his productive capacity? We in Goodwill Industries believe that the blind and all other disabled, no matter what degree of disability, ought to have the opportunity to work.

Let me be clear in this respect. We do not mean that such persons are not entitled to adequate means of living support. We believe the time is long overdue to recognize those who try, by some system of cost-of-living aid, to supplement earnings which are less than $1.60 per hour.

The Government subsidizes many efforts and the Government ought to help those who are trying to learn a skill and who are earning as they learn.

The Department of Labor, at the request of Congress, conducted a study of wages in workshops. The report, made to Congress in September 1967, stated:

> It remains a hard fact that in spite of recent Federal legislation which authorizes various welfare, training and grant programs and in spite of State programs for assistance to workshops, essentially both workships and their clients are dependent on the productive capability of the enterprise and the beneficence of private citizens.
>
> This means that the ability of workshops to pay minimum wags and survive depends on the amount of their charitable collections coupled with their ability to develop markets for their products or services.
>
> Ironically, the long period of current prosperity and recent changes in technology have eroded a basic workshop market—the market for salvage is similar to the experience of private manufacturers who have seen markets disappear—except that workshops are not in a financial position to convert to other manufacturing.

The report continues:

> Steps must be taken to insure that handicapped workers in sheltered workshops have every possible chance to become self-supporting in competitive employment. In the meantime, workers in a sheltered environment who are trying to become self-supporting should be assisted so that they may receive the minimum wage. In order to achieve this goal as soon as practicable for those workers who are now earning a significant proportion of the minimum wage consideration should be given to some form of wage supplement. A legal requirement that wages be paid is simply not adequate when it is applied to a nonprofit institution which may not be in the financial position to comply. In addition, there is need for renewed and enlarged Federal assistance to improve the business, management and training practices of workshops.

Thus, it appears that two basic recommendations made in this study of workshop wages are quite clear. Consideration must be given to the development of programs which will open new product markets for workshops. Along with this is the prime requirement of some type of wage supplement or living supplement.

We believe S. 3425 can provide part of the answer by making new types of work available to workshops serving the severely disabled.

UNTAPPED CAPACITY

Goodwill Industries is prepared to expand its rehabilitation work services to thousands of severely disabled now dependent on relatives and welfare if this proposed legislation becomes law.

Last week we made a survey to determine the interest and capacity for participation in expanded Government work. Local Goodwill Industries are unanimous in their desire to obtain Government work—both products and services.

Further, it was indicated that within 3 years, Goodwill Industries can make available a minimum of 5,000 work stations for use in Government work. This is a conservative estimate based on experience—not a guess to confuse Congress or scare business.

This type of work will provide a higher wage and a better type of opportunity for evaluation and training. It will provide work for those unable to reach productive levels required in regular business.

As medical science continues to save more persons for lives with severe limitations, we must also provide the means of making the most of these lives. It takes work to make workshops. It takes work to test one's productive ability. It takes work to provide some measure of self-esteem. Somehow, society must provide this work.

In some countries, laws require industry to set aside a percentage of work for the disabled. So far in the United States we have put it on a voluntary basis.

Workshops secure subcontracts from private industry. It is only right that the Federal Government obtain some of the goods and services it uses, which are paid for by the tax dollars, through the work of the severely disabled.

It is good stewardship because it becomes a means of making taxpayers out of tax takers. It is fair because the legislation provides for fair prices to be established, and this ought to be done under proper standards, with an adequate system of appeal review.

We believe business will be squarely behind this kind of legislation. Our Boards of Directors in Goodwill Industries across the country, who are representative of both business and labor, strongly urge Congress to enact S. 3425 and to do so now.

We believe the amendments now being considered by Congress to the Manpower Training Act and the Family Assistance Act are important to bear in mind in considering the need for these amendments to the Wagner-O'Day Act.

Workshops are expected to play an important role in both the training programs of the Department of Labor and the "working poor" provisions of the family assistance program in the Department of Health, Education, and Welfare.

Proposed extensions of the Vocational Rehabilitation Amendments being considered by Congress have at their very core the need for expanded workshop services.

S. 3425 is a consistent part of the total effort to rehabilitate the handicapped, disabled, and disadvantaged, and is urgently needed to implement the forward thrust of this great innovation effort.

Senator RANDOLPH. Thank you very, very much for your testimony.

I will not ask any questions. Your statement is fully explanatory of the position you take on these issues, with which I fully concur.

Mr. GALAZAN. I am Michael Galazan, the legislative chairman of the International Association of Rehabilitation Facilities.

I am supposed to read the statement of Mr. Cohen, who is the president of our Association.

Accompanying me is Mr. Albert Calli, executive director of the Easter Seal-Goodwill Industries Rehabilitation Center, New Haven, Conn., who is the treasurer of our organization.

In view of the time and all other factors, I will not read the material, Mr. Chairman.

Senator RANDOLPH. We will include it in the record as if read.

(The prepared statement of Mr. Taylor follows:)

Testimony of
Frank L. Taylor, Jr., Esquire
representing
Goodwill Industries of America, Inc.
before the
Subcommittee on Employment of Handicapped Workers
Committee on Labor and Public Welfare
United States Senate
July 10, 1970

Mr. Chairman, it is a pleasure for me to be here today. As a member of the Board of Directors of the Charleston, West Virginia, Goodwill Industries, I want to express to you the appreciation of the handicapped, disabled and disadvantaged people for your long record of leadership in the United States Senate on behalf of the cause of rehabilitation. We are presently in the process of acquiring a new building for our local Goodwill Industries through the assistance of funds made possible under legislation (Vocational Rehabilitation Amendments of 1965) which you supported.

As a member of the board of the national organization, Goodwill Industries of America, I wish to take this opportunity of expressing the appreciation of thousands of handicapped, disabled and disadvantaged served by 143 local Goodwill Industries located all across the United States for your dedicated leadership as a member of the Labor and Public Welfare Committee. We wish to pay tribute to the contribution of the entire Committee on Labor and Public Welfare to the cause of rehabilitation.

It is indeed a high privilege for me to be here today before your Subcommittee on Employment of Handicapped Workers and testify as to the great need for S. 3425. Senator Javits, you and the other sponsors of this bill are due the thanks of all who labor in the cause of rehabilitation.

For a long time the Board of Directors of Goodwill Industries of America has been anxious to see the provisions of the Wagner-O'Day Act extended to include not only the blind but other severe disabilities which should also have its benefits.

We recognize the years of dedicated service rendered to the blind by the American Association of Workers for the Blind, the American Federation for the Blind, the American Foundation for the Blind and the National Industries for the Blind. This is why we are on record as supporting the present language of S. 3425 which continues to give the blind a favored position. And, Mr. Chairman, we wish to pay tribute to your long record of service to the blind.

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Of course, there are those who will say business should have employed the blind without this demonstration of production ability in a workshop - this is to forget the days when jobs were almost non-existent for the blind.

However, with the improved acceptance of the blind and disabled by employers, the role of the workshop has changed.

We have shown in Goodwill Industries that a workshop need not be the end of the road, but rather the point of beginning for evaluation and training services which make a handicapped person ready for regular employment. And we don't keep them after the level of productivity for competitive employment is reached. We place them.

Last year we served some 50,000 handicapped persons in many ways. Some of them received medical and therapeutic services in the initial stages of rehabilitation. Others received evaluation, work adjustment and various types of training. As a result, 6,591 persons were placed in outside employment. 8,366 persons, unable to be placed at the time, received extended employment.

Workshops like Goodwill Industries serve a dual role - they provide the short-term services needed to prepare them for regular employment - they also provide extended employment to those yet unready for graduation. Many in the latter category are among the most severely disabled.

We recognize that there are those today who say that only those persons able to earn $1.60 an hour should be allowed to work in any place. They say, who can live on less than $1.60 an hour? This is to confuse the real issue. Should a person be denied the opportunity to produce to the limit of his productive capacity? We in Goodwill Industries believe that the blind and all other disabled, no matter what degree of disability, ought to have the opportunity to work. Now by this - let us make it perfectly clear - we do not mean that such persons are not entitled to adequate means of living support. We believe the time is long overdue to recognize those who try, by some system of cost of living aid, to supplement earnings which are less than $1.60 per hour. The government subsidizes many efforts - why not help those who are trying to learn.

The Department of Labor, at the request of Congress, conducted a study of wages in workshops. The Report, made to Congress in September 1967, stated:

> "It remains a hard fact that in spite of recent Federal legislation which authorizes various welfare, training and grant programs and in spite of State programs for assistance to workshops, essentially both workshops and their clients are dependent on the productive capability of the enterprise and the beneficence of private citizens.

"This means that the ability of workshops to pay minimum wages and survive depends on the amount of their charitable collections coupled with their ability to develop markets for their products or services.

"Ironically, the long period of current prosperity and recent changes in technology have eroded a basic workshop market -- the market for salvage is similar to the experience of private manufacturers who have seen markets disappear -- except that workshops are not in a financial position to convert to other manufacturing."

The Report goes on to recommend that:

"Steps must be taken to insure that handicapped workers in sheltered workshops have every possible chance to become self-supporting in competitive employment. In the meantime, workers in a sheltered environment who are trying to become self-supporting should be assisted so that they may receive the minimum wage. In order to achieve this goal as soon as practicable for those workers who are now earning a significant proportion of the minimum wage consideration should be given to some form of wage supplement. A legal requirement that wages be paid is simply not adequate when it is applied to a nonprofit institution which may not be in the financial position to comply. In addition, there is need for renewed and enlarged Federal assistance to improve the business, management and training practices of workshops."

Thus, it appears that two basic recommendations made in this study of workshop wages are quite clear. Consideration must be given to the development of programs which will open new product markets for workshops. Along with this is the prime requirement of some type of wage supplement or living supplement.

We believe S. 3425 can provide part of the answer by making new types of work available to workshops serving the severely disabled.

Goodwill Industries is prepared to expand its rehabilitation work services to thousands of severely disabled now dependent on relatives and welfare if this proposed legislation becomes law.

Last week we made a survey to determine the interest and capacity for participation in expanded government work. Local Goodwill Industries are unanimous in their desire to obtain government work - both products and services. Further, it was indicated that within three years Goodwill Industries can make available a minimum of 5,000 work stations for use in government work. This is a conservative estimate based on experience - not a guess to confuse Congress or scare business. This type of work will provide a higher wage and a better type of opportunity for evaluation and training. It will provide work for those unable to reach productive levels required in regular business.

As medical science continues to save more persons for lives with severe limitations, we must also provide the means of making the most of these lives. It takes work to make workshops; it takes work to test one's productive ability; it takes work to provide some measure of self-esteem. Somehow, society must provide this work.

In some countries, laws require industry to set aside a percentage of work for the disabled. So far in the United States we have put it on a voluntary basis.

Workshops secure subcontracts from private industry. It is only right that the federal government obtain some of the goods and services it uses, which are paid for by the tax dollars, through the work of the severely disabled. It's good stewardship because it becomes a means of making taxpayers out of tax takers. It's fair because the legislation provides for fair prices to be established, and this ought to be done under proper standards with an adequate system of appeal review. We believe business will be squarely behind this kind of legislation. Our Boards of Directors in Goodwill Industries across the country, who are representative of both business and labor, strongly urge Congress to enact S. 3425. It is long over-due.

We believe the amendments now being considered by Congress to the Manpower Training Act and the Family Assistance Act are important to bear in mind in considering the need for these amendments to the Wagner-O'Day Act. Workshops are expected to play an important role in both the training programs of the Department of Labor and the "working poor" provisions of the family assistance program in the Department of Health, Education, and Welfare. Proposed extensions of the Vocational Rehabilitation Amendments being considered by Congress have at their very core the need for expanded workshop services. S. 3425 is a consistent part of the total effort to rehabilitate the handicapped, disabled and disadvantaged and is urgently needed to implement the forward thrust of this great innovation effort.

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Mr. GALAZAN. I will pick up the high points on those I think most significant.

First, I would like to tell you, Mr. Chairman, that you have my words of appreciation for the work of the committee, the work of the chairman for the splendid work that has been done for the blind and the handicapped.

Our association, the International Association of Rehabilitation Facilities, is a private, nonprofit organization which has a membership of 650 rehabilitation centers, shelter workshops, and related facilities whose purpose has been to train and prepare hundreds of thousands of handicapped individuals to whom real physical, intellectual, and emotional and social limitations have made them dependents on their families and communities for aid and assistance.

We have testified in favor of S. 3425 because it contains the essence of our philosophy, that is that remunerative work is an important part of living for both the disabled and the nondisabled.

Basically, Mr. Chairman, I think this is the basic concept of our American society, that work is that which makes a man's life most meaningful.

I think the basic factor that we are primarily concerned about, in addition to all of the matters which have been placed in the record by many of the organizations with whom we closely associate, is the additional factor of the amendment to the Wagner–O'Day Act which would provide us addtional subcontract work for our workshops.

This is vitally and critically needed, not only to increase our workshop training, but at this point there is a great danger that we face a decrease in the opportunities of training and continuous work.

Present increases in unemployment, difficulty in the general job market, has increased the problem of getting some contract work, and without the help of this particular amnedment we in the workshop movement will be faced with a crisis.

That is why it is so critical that this particular piece of legislation get the immediate attention of the Congress.

I do want to also emphasize that the work that we were given under the Wagner-O'Day amendments will be used for thousands of handicapped people. We cannot only limit the numbers to those who will get continuous employment, but we have to be concerned about the thousands who will be trained, and who will move on to employment as indicated in other comments made this morning.

TO REHABILITATE VETERANS

I think this critical that we get the numbers. I think this work will affect the welfare of hundreds of thousands of handicapped people, and not the limited numbers that we were talking about in terms of continued employment.

The other factor I think which is critical, and which the chairman pointed to, and I would like to underline, is the fact there are thousands of veterans who are coming back to this country who deserve the best that we have.

We cannot serve them effectively, and they cannot be served effectively, without the services of our workshops.

I think the chairman might be interested in the fact that our own agency in Milwaukee is taking veterans from the hospitals, or still hospitalized, and coming to the workshop for purposes of training and to be moved out into industry. I think this type of work in hospitalized veterans is critical.

I think also it is one of the resources that will be made available by our workshops to the returning veterans in increasing numbers as we are able to build our facilities and to develop our resources.

I think also, Mr. Chairman, that the other legislation that is being entered as commented here before the Congress with regard to increased training opportunities for welfare clients and for other groups of our population, will not be effectively, or cannot be effectively clarified without the participation of our rehabilitation facilities.

One of the things I think we also want to emphasize is that there are millions of dollars now being expended by the Veterans' Administration, by the Labor Department, for training in utilizing the workshops as resources for this training.

As our work opportunities are limited, these kinds of training opportunities become less effective, and the effectiveness of our programs have to be carried through by this kind of additional work that will be made available.

So therefore, Mr. Chairman, in summary, I would like to urge that the committee take the most immediate action possible in order to help our workshops as quickly as we can, because the crisis that is facing us in getting subcontract work in our community is extremely severe.

I would also like to thank the committee for letting me make my presentation today, and I hope that when Congress passes this bill that the committee will continue to indicate its interest and concern in this field, as they have in the past, and that they will actually be making one of the greatest contributions to the development of better resources for the handicapped, the returning veterans, and the handicapped on welfare.

Senator RANDOLPH. Mr. Calli, do you wish to supplement what has been said?

Mr. CALLI. Yes, I would like to speak to two points briefly, if I might, to again emphasize the fact that in rehabilitation facilities, work has consisted primarily of subcontracts.

It has not been feasible to engage in prime manufacture because of the great deal of funds to be invested, and the need to develop an extensive and expensive marketing program through which to dispense these.

Therefore, what your committee is proposing would provide the opportunities to utilize skilled labor and become involved in a prime manufacturing type of operation, rather than depending on private industry from which we would solicit these contracts.

Another concept or an aspect I think that should be given consideration beyond the prime manufacturing is that those manufacturers within a community that have Government contracts consider more extensively the providing of subcontracts to the rehabilitation facilities located in a close proximity.

These are the only two points I would like to emphasize.

Thank you.

Senator RANDOLPH. In the immediate proximity, did you say?

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Mr. CALLI. Yes.

In Connecticut, for instance, there is extensive private industry that have Government contracts. The workshops located throughout the State, of which there are in excess of 20, could tie in very well with these prime manufacturers.

I think this is another approach that might be given consideration.

Senator RANDOLPH. Yes, I understand, now. They could be utilized. They are in an area where actually they are almost side by side.

Mr. CALLI. Yes.

Senator RANDOLPH. We wish to thank the members of the panel. We wish to express appreciation to our guests who have been present yesterday and today.

I announce that 10 days will be given for further material or documentation that witnesses either yesterday or today might feel will be helpful in the compilatiton of our printed records.

There may be a reason why one or more questions will be asked of witnesses by mail, so that the record can be very complete, if the members of the committee and staff members feel that we should explore further what someone has said, and we haven't actually done it by questioning of witnesses.

It is my personal hope, and I think it is shared by members of the special subcommittee, that we can report these amended measures of the two acts that are basic. We can have the committee, then, report these measures to the Senate, and have them passed in this session of the Congress.

That shall be our purpose, and if we can have them passed in the Senate, we are hopeful that the record made here would be of such a nature that the House might, that perhaps not in the usual following through, but based on what we have done here, accept our work and agree to the Senate bills.

Therefore, if that could be done, then they could go to the President for signature. I trust very much that this can be done.

Thank you.

(The statement of the National Association for Retarded Children follows:)

STATEMENT IN SUPPORT OF S. 3425,

TO AMEND THE WAGNER-O'DAY ACT

Respectfully Submitted to:

THE SPECIAL SUBCOMMITTEE ON HANDICAPPED WORKERS,

SENATE LABOR AND PUBLIC WELFARE COMMITTEE

On Behalf of:

THE NATIONAL ASSOCIATION FOR RETARDED CHILDREN

Elizabeth M. Boggs, Ph.D.
Chairman, Governmental Affairs Committee

July 9, 1970

The National Association for Retarded Children is happy to join in support of S. 3425 to amend the Wagner-O'Day Act so as to extend its benefits to the severely handicapped and to cover "services" as well as "commodities".

NARC, despite its name, has been devoted since its founding 20 years ago to promoting the well-being of all the mentally retarded of all ages and all degrees of handicap. The Association is composed of state and local associations which are active in every state and in Puerto Rico, and even on overseas military bases.

The bill you are considering today would, we feel, give a legitimate assist to those retarded persons of working age whose disability is so severe as to preclude them from engaging in normal competitive employment. Among the candidates who deserve such assistance are the multiply handicapped retarded, for example, the retarded blind, the cerebral palsied retarded, the retarded person who is also seriously emotionally disturbed, and so on.

Despite attacks which are made from time to time on sheltered workshops as an institution, our experience of the last two decades has confirmed our view that properly staffed, properly regulated workshops are an essential part of the "spectrum of services" required to optimize opportunities for many of the retarded. For

some clients they represent a short term training resource; for some they provide an opportunity not otherwise available to earn and contribute their small bit to our economy under favorable conditions, on an on-going basis.

According to a recent announcement of the Department of Labor, there were as of last December 1,329 workshops servicing the handicapped, certified by the Wage and Hour Division. These shops employed about 65,000 handicapped persons. Only 3% of the clients were found underpaid by federal standards in 1969. However, actual earnings are admittedly low, especially for the retarded; one way of improving take-home pay for this group is by increasing work available, both as to quantity and constancy, as well as increasing the efficiency of marketing. S. 3425, as we see it, will contribute to this goal by putting the workshops in a position to seek and obtain contracts to deliver products and services to the Federal government at competitive prices and under mutually agreeable conditions.

At present workshops for the handicapped are at a disadvantage in dealing with a large buyer such as the federal government because the individual workshops are small and do not have a recognized marketing channel. The bill by authorizing recognition of a "central non-profit agency or agencies to facilitate the distribution orders" would help to bring order and efficiency into the relations between workshops and government purchasing agencies.

We would like to point out that the mentally retarded who are continuing workshop clients tend to be among the most severely handicapped. One reason for this undoubtedly the zeal with which the staff of these facilities have sought to prepare and place the more capable clients in jobs in the competitive employment sector.

NARC and its member units are proud to have contributed to this effort in a variety of ways. We have, for example, a contract with the Department of Labor for on-the-job training placements of retarded people, and have been instrumental in putting over 2,000 clients in regular industrial and service positions in the last three years. We are proud of the winners of our Employer of the Year awards, among whom are several federal post offices and other installations.

The success of all these efforts leaves nevertheless a group of retarded persons who can share in the dignity of work only in an especially structured environment or under conditions adapted to their needs. These too are entitled to an opportunity.

The severity of the handicap of this residual group as well as its relative numerical importance can be seen in the data taken from the Sheltered Workshop Report of the Secretary of Labor that was sent to Congress in September 1967.

Table 2 (attached) shows that nearly one third of all workshop clients (in 1967) were mentally retarded.

"The highest wages were found in workshops for the blind, the lowest in workshops for the mentally retarded. Average earnings in the various types of workshops were:

Type of workshop	Average hourly earnings
General	$0.87
Mentally retarded	0.35
Alcoholic	1.07
Blind	1.24
Mental illness	0.63
Miscellaneous	0.51 " (page 19)

"Shops for the mentally retarded employed one-third of all sheltered workshop clients in February 1967. The great majority of the 11,535 clients in these shops--almost 80%--were classified as exceptions; 16% were trainees; and only 5% were regular clients.

"As such a mix would indicate, average hourly earnings of these workers as a group were lower than for clients of any other type of shop. The average in these shops was $0.35 for all clients. Trainees averaged $0. 33 and clients classified as exceptions $0.30. While earnings of trainees and exceptions were considerably lower than those of comparable classi-

fications in other types of workshops, hourly earnings of the regular clients, averaging $1.09, compared favorably with the $1.17 average for regular clients in all workshops." (page 21)

"The 3,828 clients in workshops for the blind represented 11% of all sheltered workshop clients in February 1967. More than three-fourths of these clients were classified as regular clients, another 7% as trainees, and 16% were exceptions.

"Average hourly earnings for all clients combined in workshops for the blind was $1.24; for regular clients it was $1.38, for trainees $0.90, and for exceptions $0.72. These were the highest earnings reported for each category of clients in any type of workshop (Table 9)." (page 22)

In the cited report the Secretary drew some conclusions, which we believe are still valid. The report finds that--

"In order to achieve the goal of a minimum wage for clients in sheltered workshops--a complete program tailored to the needs of the workshops and its clients must be developed. Consideration must be given in such a program to:

--wage supplements for eligible clients

--financial support for therapy for workshop clients

--additional financial support for the workshop for training; including material, equipment, and supervision

--opening of new markets for products of workshops

--additional financial support to enable workshops to modernize facilities and methods consistent with the needs of the clients

--a technical assistance program to the workshops including management assistance, and

--new out-placement services for workshop clients"

(emphasis added) (page 5)

We believe that S. 3425 will make a substantial contribution to objective of "opening new markets for products of workshops."

We wish to congratulate and thank the sponsors, and the members of this Special Committee for their attention to this unspectacular but significant piece of legislation and to express a hope for its speedy enactment.

Table 2. Number of clients in sheltered workshops by type of client and type of workshop, 1965-66 and February 1967

Type of workshop	Total		Regular clients 1/		Trainees 2/		Exceptions 3/	
	1965-66	February 1967	1965-66	February 1967	1965-66	February 1967	1965-66	February 1967
All types	34,655	35,460	29,101	14,474	3,634	6,381	1,920	14,605
General	15,932	15,392	13,451	9,114	1,620	3,477	861	2,801
Retarded	10,002	11,535	8,353	629	1,089	1,819	560	9,087
Alcoholic	1,829	1,441	1,328	1,204	484	221	17	16
Blind	3,764	3,828	3,215	2,965	170	249	379	614
Mental illness	757	868	556	187	191	394	10	287
Miscellaneous	2,371	2,396	2,198	375	80	221	93	1,800

1/ Those clients in sheltered workshops receiving at least the rate authorized for the shops.

2/ Those clients temporarily authorized to receive a rate lower than the shop rate.

3/ In 1965-66, those authorized to receive a rate lower than the shop rate. In 1967, in addition to these, clients in work activities centers are so classified.

Source: Data from applications filed with WHPC for sheltered workshop certificates.

Table 7. Cumulative percent distribution of sheltered workshop clients by hourly earnings and type of client, 1965-66 and February 1967

Workshops for the mentally retarded

Hourly earnings	Regular clients		Trainees		Exceptions		All clients	
	1965-66	1967	1965-66	1967	1965-66	1967	1965-66	1967
Under $0.30	54.8	1.1	84.1	48.9	77.1	55.5	59.2	51.5
Under $0.50	81.7	1.4	92.7	85.7	95.4	86.3	83.7	81.6
Under $0.70	92.4	1.4	96.8	94.5	99.6	96.2	93.3	90.8
Under $1.00	96.6	44.2	99.1	98.1	100.0	99.2	97.1	96.0
Under $1.20	98.1	56.8	99.2	99.0	100.0	99.6	98.3	97.2
Under $1.30	99.0	72.2	99.8	99.2	100.0	99.8	99.1	98.2
Under $1.40	99.3	78.2	99.8	99.2	100.0	99.9	99.4	98.6
Under $1.60	99.7	93.6	99.8	99.7	100.0	99.9	99.7	99.5
Under $2.00	99.9	95.9	99.9	100.0	100.0	100.0	99.9	99.8
Number of clients	8,353	629	1,089	1,819	560	9,087	10,002	11,535
Average hourly earnings	$0.33	$1.09	$0.20	$0.33	$0.21	$0.30	$0.31	$0.35

Source: Data from applications filed with WHPC for sheltered workshop certificates.

Table 9. Cumulative percent distribution of sheltered workshop clients by hourly earnings and type of client, 1965-66 and February 1967

Workshops for the blind

Hourly earnings	Regular clients		Trainees		Exceptions		All clients	
	1965-66	1967	1965-66	1967	1965-66	1967	1965-66	1967
Under $0.30	.3	-	4.1	3.6	3.4	4.1	.8	.9
Under $0.50	1.7	1/	14.7	8.8	18.7	16.8	4.0	3.3
Under $0.70	9.5	.1	36.5	27.7	44.1	43.8	14.2	8.9
Under $1.00	34.4	13.5	57.1	54.2	84.4	86.5	40.5	27.8
Under $1.20	56.0	39.6	86.5	78.3	94.7	97.6	61.3	51.4
Under $1.30	70.9	49.2	98.8	90.8	96.8	99.0	74.8	59.9
Under $1.40	78.5	55.4	98.8	92.4	97.6	99.5	81.3	64.9
Under $1.60	86.9	78.4	99.4	97.2	99.2	100.0	88.7	83.1
Under $2.00	94.9	89.7	100.0	98.4	99.5	100.0	95.6	91.9
Number of clients	3,215	2,965	170	249	379	614	3,764	3,828
Average hourly earnings	$1.17	$1.38	$0.83	$0.90	$0.73	$0.72	$1.11	$1.24

1/ Less than .05 percent.

Source: Data from applications filed with WHPC for sheltered workshop certificates.

Senator RANDOLPH. At this point in the record I order printed the statement of the American Optometric Association.

(The statement referred to follows:)

STATEMENT OF THE AMERICAN OPTOMETRIC ASSOCIATION ON S. 2461

The American Optometric Association, a federation of State optometric associations and societies with membership totalling some 15,000 practicing optometrists, supports enactment of S. 2461 which would be highly beneficial to blind persons.

Optometrists, whose lives are devoted to the preservation and enhancement of the visual function, are keenly aware of the problems faced by individuals whose vision is seriously impaired or lost. It is with a great sense of compassion that this organization offers its support for legislation of the type you are considering here today.

In the interests of conserving Committee time, we defer to the joint statement presented July 9, 1970 by the American Association of Workers for the Blind, Inc., the American Foundation for the Blind and the Blinded Veterans Association endorsing this legislation.

The American Optometric Association believes it is essential to retain and, if possible, extend to more individuals the benefits provided by the Randolph-Sheppard Vending Stand Act, as well as those Public Laws dealing with Vocational Rehabilitation, and several Titles of the Social Security Act.

The health profession of optometry has played a major role in the preservation and enhancement of the residual vision of the partially sighted who are classified as legally blind. Our profession is working constantly to create more sophisticated low-vision aids to assist the partially sighted. The American Optometric Association, now 73 years old, has had a standing committee for the purpose of aid to the partially sighted since 1958. We assure you that optometry will continue to work diligently to make low vision aids better, and to make such aids more generally available for those who so desperately need them.

We are especially pleased to note that the legislation before you would provide new discretionary authority for the States to license as blind vending stand facility operators those men and women under age 21 whose visual impairment has come about at such an early point in their lives. They deserve the same type of economic opportunity afforded those who are over 21 years of age. Many of these young people have, through the assistance of special educational and vocational programs, received excellent education which prepares them very well for the responsibilities and self-sufficiency that this legislation would allow.

Because the major impetus for this legislation stems from need to up-date the existing law, we recommend that the Randolph-Sheppard Act be made consistent with other Federal legislation with respect to the definition of blindness and who may make the determination of that condition.

All Federal programs dealing with blindness recognize the capability of State-licensed optometrists to determine and attest to the presence of blindness. Notable among these are the Vocational Rehabilitation Act as amended in 1968 as well as Titles X, XVI and XIX of the Social Security Act. The latter two deal with Aid to the Blind and Grants to States for Aid to the Aged, Blind, or Disabled.

To the extent that blind persons are covered under Title II of the Social Security Act, authorizing the Old Age Survivors Disability Insurance Program, certification of blindness by optometrists is allowed by administrative regulation.

The American Optometric Association supports adoption of the definition of blindness, as proposed in S. 2461. We would also like to suggest a further amendment.

The American Optometric Association recommends that Section 9(a), Section 6(b) of the bill be amended as follows: by deleting the closing quotation marks at then end of the Section and adding the following:

"In determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye or by an optometrist, whichever the individual shall select."

The language recommended is identical to that included in Title X, Section 1002(a)(10) of the Social Security Act and that of Title XIX, Section 1902(a)(12) of the Social Security Act, and also Title XVI, Section 1602(a)(12) of the Social Security Act.

The American Optometric Association commends the Committee for its continuing efforts to improve this worthwhile legislation and urges passage of S. 2461 with the further amendment outlined herein.

Thank you for your consideration.

NEW YORK STATE ASSOCIATION FOR RETARDED CHILDREN, INC.,
New York, N.Y., July 9, 1970.

Senator JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: I understand Hearings are now being held on S. 3425, to amend the Wagner-O'Day Act, to extend the provisions of that Act to severely handicapped individuals who are not blind.

Although we would much prefer to see all the handicapped, blind or otherwise, treated equally under the Law, we in the New York State Association for Retarded Children believe that this bill is a great step forward in the field of vocational rehabilitation and employment of the handicapped. We are sure that the time will come when all priorities will be removed, but society being what it is today, I suppose we shall have to retain some of these priorities in order to make the gains absolutely essential.

I should like to suggest one amendment and one addition to the bill.

Page 2. lines 1 et seq. now reading ". . . to be composed of two private citizens conversant with the problems incident to the employment of blind and other severely handicapped individuals . . ." should read—in my opinion, "to be composed of one private citizen conversant with the problems incident to the employment of blind, one private citizen conversant with the problems of employment of the mentally retarded, one private citizen conversant with the problems of employment of other severely handicapped individuals . . .".

We feel that the problems of employment of the various handicaps are different in many respects and each class of handicap should have someone deeply conversant with its problems.

We also note there is no provision for funding the establishment and operation of the nonprofit central agency mentioned in Section 2(a) line 25. We should like to suggest, therefore, a Section 5, which would read: "A sum not to exceed $_____ is hereby authorized to be appropriated to defray the cost of establishment and operation of the central nonprofit agency or agencies authorized under Section 2, in carrying out the purposes of this Act."

In addition, we should like to make the following comments in support of this legislation:

One of the most important factors, if not the most important, inhibiting the development of sheltered workshops for the mentally retarded on a businesslike basis has been the difficulty in obtaining contracts remunerative enough to enable the workshops to pay their clients a fair and living wage. Another factor has been the unreliability of contract procurement so that no real planning for work can go on. Workshops work on the feast or famine basis with too much work, or none at all, or very little. The fact is that most workshops, especially for the mentally retarded whose work capacities may not be as great as those of other handicapped, even when they work a full time and at their utmost capabilities, earn very little. In fact, therefore, most of the workshops for the mentally retarded now qualify as Activity Centers under the Fair Labor Standard Act (Minimum Wage Law), since the earnings are less than 50% of the Federal Minimum.

The reasons for the failure to obtain contracts are complex but some of the facts we can certainly identify. Many of the workshops are in isolated geographic areas without easy access to industry for contract procurement. In others there is a lack of expertise to obtain such contracts. Furthermore, there is a woeful lack of real knowledge in tooling up or even knowing how to tool up workshop production to make contracts really pay off. In addition, there may be a reluctance to invest capital in what may be a one shot contract.

With the proliferation of sheltered workshops for the mentally retarded, this problem became more and more acute. It became necessary, therefore, to look around for methods to even up the flow of work, make it predictable and of such a nature that it will be highly remunerative. In reviewing the sources of such contracts it is immediately apparent that the single largest purchaser of goods and services in the country is the Federal government through the General Services Administration and the various other Departments. The question then becomes—how to reach this source of contracts on a non-competitive basis. Any

workshop could go to General Services Administration, get specification for various jobs and products and services, but this would be competitive bidding with the industries of the country and I am afraid it would not be very successful.

A solution to this was reached by the blind as far back as 1938. We are all aware of the earlier development of sheltered workshops for the blind. They encountered long ago the same problems we have now. Their road to a solution led to Federal legislation resulting in "An Act to create a Committee on Purchases of Blind-Made Products, and for other purposes." This is the famous Wagner-O'Day Act. Without going into too many details it does the following:

Creates a Committee (appointed by the President) on Purchases of Blind-Made Products.

This Committee determines the fair market price of all "brooms and mops and other suitable commodities manufactured by the blind and offered for sale to the Federal Government by any non-profitmaking agency for the blind. . . ."

Authorizes a central non-profitmaking agency to facilitate the distribution of orders, etc.

Makes procurement of these commodities from the blind mandatory.

An apparatus to implement this law called the National Industries for the Blind was created and has been operating continuously in this field.

The really advantageous position of the blind was brought home forcibly to me by one of their leaders when the Civil Defense people had to assemble kits to distribute throughout the country. The cost of assembling such kits came to about $10 million and I was twitted about all this because it went to workshops for the blind.

Enlisting the support of Senator Jacob K. Javits (R., N.Y.) we began to draft a bill that would enlarge the aims of the Wagner-O'Day Act to provide the handicapped in addition to the blind to participate in the largesse being distributed by the Federal government. Obviously this could meet with objections from the blind, and it did. They felt this was an encroachment on their hard earned interests. We, therefore, modified the proposal to retain for the blind their priority on products, but that the areas of "services" (a new field) be open to all on an equal basis including the blind, giving the blind, however, 5 years of priority in this area.

Sorting, for example, of nuts and bolts would be a service as opposed to the manufacture and sale to the government of the finished product. This is an oversimplification of course, but gives the reader some idea of what we are talking about. Since the workshops for the mentally retarded are peculiarly geared towards services rather than the manufacture of finished products, I felt this would be a reasonable approach. Our discussion with General Services Administration revealed that there were literally hundreds of millions of dollars of contracts available, even in products, the blind do not have the resources to produce that would be open to other handicaps. If we add to this, services, then a vast new market is ready for the sheltered workshops for the handicapped other than the blind, and especially for the mentally retarded. This in no way would encroach on the advantages the blind have earned with such difficulty and would indeed open to them a whole new field, that of services, which they have no priority in at all at this time.

The distribution of these contracts would come through a central agency similar to National Industries for the Blind. Such agency would not impose its own operation on others but those that would wish to participate would have to meet certain standards of production and procedures.

It is obvious, of course, that we are concerned with the problems of the mentally retarded with which we are most conversant, but it is also obvious that what we have said here applies to other handicaps as well.

I think that a new day is dawning for the adult retarded and other handicapped if we can indeed assure them of years of production in a meaningful way. It is really not asking too much from anyone.

Sincerely yours,

JOSEPH T. WEINGOLD,
Executive Director.

AMERICAN FOUNDATION FOR THE BLIND, INC.,
New York, N.Y., July 6, 1970.

Senator JENNINGS RANDOLPH,
Committee on Labor and Public Welfare, U.S. Senate,
Washington, D.C.

DEAR SENATOR RANDOLPH: The following is Section 8 of S. 2461 with a technical amendment added and underlined to designate the chairman of one of the arbitration boards provided for in the bill:

"Sec. 8. Section 3(6) of such Act (20 U.S.C. 107b) is amended by substituting a comma for the period at the end thereof and adding the following new wording: "including binding arbitration by three persons consisting of one person designated by the head of the State licensing agency, one person designated by the licensed blind operator, and a third person selected by the two, *who shall serve as chairman.*'"

Sincerely yours,

IRVIN P. SCHLOSS, *Legislative Analyst.*

Senator RANDOLPH. This will conclude our hearing for today. Thank you all for coming.

(Whereupon, at 12:50 p.m., the special subcommittee adjourned, to reconvene at the call of the Chair.)

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